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Chair: Mr. John Williamson



Standing Committee on Public Accounts

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• (1000)

[Translation]

The Chair (Mr. John Williamson (New Brunswick South-west, CPC)): I call this meeting to order.

[English]

Good morning, everyone. Thank you for being here today.

[Translation]

Welcome to meeting number 107 of the House of Commons Standing Committee on Public Accounts.

[English]

Today's meeting is taking place in a hybrid format, pursuant to the Standing Orders. Members are appearing both in person in the room and remotely using the Zoom application.

This is a reminder that all comments should be addressed through the chair.

[Translation]

Pursuant to Standing Order 108(3)(g), the committee is resuming consideration of 2024 Report 1 of the Auditor General of Canada, entitled "COVID-19 Pandemic: ArriveCAN", referred to the committee on Monday, February 12, 2024.

[English]

I'd now like to welcome our witnesses.

From the Office of the Auditor General, we have Andrew Hayes, the deputy auditor general, and Sami Hannoush, principal. It's good to see you both again. I've seen you more than my spouse recently, it seems, which is a good thing on behalf of taxpayers.

From the Department of Public Works and Government Services, we have Arianne Reza, deputy minister. It's good to see you. Thanks for coming in today.

We also have Catherine Poulin, assistant deputy minister of the departmental oversight branch, and Dominic Laporte, assistant deputy minister of the procurement branch.

Our two lead principals will each have the floor for five minutes, as is custom. I'll turn to the Office of the Auditor General first.

Mr. Hayes, you have the floor for five minutes, please.

[Translation]

Mr. Andrew Hayes (Deputy Auditor General, Office of the Auditor General): Mr. Chair, thank you for again inviting us to

discuss our report on ArriveCAN, which we released on February 12.

I would like to acknowledge that this meeting is taking place on the traditional unceded territory of the Algonquin Anishinabe people.

Joining me today is Sami Hannoush, who was responsible for the audit.

This audit examined whether the Canada Border Services Agency, the Public Health Agency of Canada and Public Services and Procurement Canada managed all aspects of the ArriveCAN application in a way that delivered value for money. I will focus my remarks today on the role played by Public Services and Procurement Canada.

The department was responsible for issuing and administering contracts on behalf of the Canada Border Services Agency and the Public Health Agency of Canada when a contract's value exceeded the agencies' delegated authority to procure. We found that Public Services and Procurement Canada challenged the Canada Border Services Agency's use of non-competitive processes to award ArriveCAN work. It recommended alternatives, such as shortening the duration of non-competitive contracts or running competitive processes with a shortened bidding period. Despite this advice, the agency moved forward with non-competitive approaches.

[English]

We also reported that the Canada Border Services Agency's overall management of the contracts was very poor. Essential information was missing from awarded contracts and other documents, such as clear deliverables and the qualifications required of workers.

We found, contrary to Public Services and Procurement Canada's supply manual, that the department co-signed several task authorizations drafted by the Canada Border Services Agency that did not detail task descriptions and deliverables. Without this information, it is difficult to assess whether work was delivered as required and completed on time while providing value for money.

Public Services and Procurement Canada also co-signed many of the agency's amendments to task authorizations. Some amendments increased the estimated level of effort or extended the time period without adding new tasks or deliverables. This drove up the contract's value without producing additional benefits.

To deliver value for dollars spent and support accountability for the use of public funds, the Canada Border Services Agency and Public Services and Procurement Canada should ensure that tasks and deliverables are clearly defined in contracts and related task authorizations.

This concludes my opening statement. We will be pleased to answer any questions the committee may have.

Thank you.

• (1005)

The Chair: Thank you very much.

Ms. Reza, you have the floor for up to five minutes, please.

[*Translation*]

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

I would like to acknowledge that we are meeting on the unceded territory of the Anishinabe Algonquin nation.

As the deputy minister of Public Services and Procurement Canada, my team and I are here to continue the important discussion about the Auditor General's report into the development of the ArriveCAN application.

I'm joined today by Dominic Laporte, assistant deputy minister for procurement, and Catherine Poulin, assistant deputy minister for departmental oversight.

During the pandemic, my department played a key role in keeping the work of the Government of Canada going as well as providing key support to provinces and territories. We are particularly proud of our role with regard to the urgent procurement of critical supplies and life-saving vaccines. PSPC has been part of two large audits since the pandemic, one related to the procurement of personal protective equipment and the other to the procurement of vaccines. These audits found, in general, that the controls and the procurement process worked as they should.

In the case of ArriveCAN, both the Auditor General and the procurement ombud have identified areas where we need to strengthen our oversight, notably related to documentation and to our procurement processes of IT consultants.

We accept these recommendations in full and have already put management actions in place to strengthen our processes.

[*English*]

Right now, we are focused on improving and further strengthening our processes, especially when it comes to IT procurement. We have been working since the fall to do just that.

Actions we've taken to date include improving evaluation requirements to ensure that resources are appropriately qualified; requiring increased transparency from suppliers around their price

and use of subcontractors; improving documentation when awarding contracts and issuing task authorizations; and clarifying work requirements and activities, specifying which activities and which projects are worked on by contractors. In addition, my department is updating its guidance to aid other departments and agencies in procuring responsibly when using our procurement instruments under their own authorities. Finally, PSPC is also taking measures to appoint a senior executive who will be responsible for quality assurance and strengthening documentation within PSPC.

Fundamentally, improving IT procurement requires us to ensure that those processes are clear and transparent and that the roles, responsibilities and rules are understood, respected and adhered to. This includes working closely with the Treasury Board Secretariat and client departments and agencies to ensure that procurements are undertaken in a manner that respects the principles of fairness, openness and transparency.

In this regard, both the Treasury Board directive on the management of procurement and PSPC's supply manual stipulate the division of roles and responsibilities. For example, departments—our clients—are responsible for providing a justification for using non-competitive procurements.

In the case of procurements related to ArriveCAN, the Auditor General's evaluation found that PSPC effectively provided a challenge function to the CBSA and proposed various alternatives to using non-competitive processes, such as running shorter competitive processes or shorter contract periods in the case of the non-competitive approaches. Within the context of the emergency situation brought on by the pandemic, PSPC and our legal counsel found that the justification provided by the CBSA for their approach was sufficient and met the criteria for emergency use.

When it comes to a lack of transparency around decision-making, we are committed to addressing the root causes, strengthening document management practices and continuing the deployment of our electronic procurement solutions so that transparency in decision-making is ensured and Canadians and parliamentarians can have renewed confidence in the administration of federal procurement activities. New measures that we've put in place have already addressed a number of these areas. We continue to take action to further strengthen the procurement of IT services.

[Translation]

In closing, I know that there have been many concerns raised in the media and in parliamentary committees regarding federal procurement and the integrity of the system. We share those concerns and are actively working to improve the procurement system as well as undertaking required investigations where warranted.

The domain of procurement is one that inherently has higher levels of risks associated with conflicts of interest. That is why the government requires all of its suppliers, their subcontractors and all employees to operate lawfully and in a responsible manner by, at a minimum, meeting the expectations and obligations set out in the Code of Conduct for Procurement. For federal public servants, those expectations and obligations are outlined in the Code of Values and Ethics. Among other things, these codes require that all employees declare conflicts of interest, where applicable.

These codes provide important underpinnings and guiding principles for the work that is done in procurement. Ensuring respect and adherence to these codes is of the utmost importance.

Our actions will help reinforce the adherence to the codes, improve the way we do business with companies and further safeguard the integrity of the procurement system.

Thank you.

• (1010)

The Chair: Thank you very much.

[English]

Ms. Bradford, I saw you had your hand up. It's not up now. Do you have a point of order?

Ms. Valerie Bradford (Kitchener South—Hespeler, Lib.): No.

The Chair: Okay. I just wanted to double-check that I didn't miss you.

We're turning now to our opening round. Thank you very much for your opening remarks.

MP Kusie, you have the floor for six minutes, please.

[Translation]

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

[English]

Thank you very much, witnesses, for being here today.

Thank you very much to the team of the Auditor General for your fantastic report.

Madame Reza, I'm glad to see you're in better health this week. Thank you very much for being here.

This has not been a good week so far for the Liberal government. In the meeting I attended yesterday, we had the Treasury Board Secretariat, including the comptroller of Canada, agreeing with the Auditor General and her report that Canadians did not receive value for money for their app.

I was very proud of my team, which pushed on the issue of the government employee who received \$8 million for ArriveCAN while working in the public service at the same time. That should never have happened. I was also proud of the motion passed yesterday by my team, with the support of the committee, to ensure that we are aware of all of the public servants who might potentially be in conflicts of interest with their role in serving the Canadian people. We have a wonderful public service, but of course, we must always ensure that there is no conflict of interest.

This has not been a good week for the Liberal government and arrive scam. This is evidenced by the media reports today, unfortunately, of government members being triggered by the use of the words "arrive scam".

Today, I'm going to focus my questions on the national security exemptions.

We have determined already that there was no value for money for Canadians. Now I would like to turn to another important aspect, which is the national security exemptions. In April 2020, your department invoked the national security exemptions to grant GC Strategies—a company that, I should add, should be entirely banned from contracting with the Government of Canada—a \$13.9-million uncompetitive contract on behalf of the CBSA.

Why did your department feel that GC Strategies was the only company able to complete the work necessary on ArriveCAN for such a significant amount of money?

Ms. Arianne Reza: First, we need to look at the national security exception invocation. This is a tool that exists in trade agreements to give Canada the ability, in the case of a crisis, to move quickly outside of the current competition. Each trade agreement allows this.

There was not a one-to-one relationship between the NSE and GC Strategies. Rather, the Public Health Agency, the CBSA and various departments came forward and said that because of the global pandemic, they had a need to move quickly, and they asked us at PSPC for that authority. In consultation with legal counsel and PSPC, national security exemptions were granted. That does not mean or guarantee a sole-source strategy in any procurement process.

I'm going to pause here, because I have an expert in NSEs with me.

Dominic.

Mr. Dominic Laporte (Assistant Deputy Minister, Procurement Branch, Department of Public Works and Government Services): I have nothing to add there. Thank you.

Mrs. Stephanie Kusie: Thank you very much for that response.

I repeated this yesterday and I'll say it again today, but this a reminder that the Auditor General stressed in her remarks, my goodness, close to a month ago now—this is how long her report and the truth of it have resonated with Canadians—that the pandemic crisis situation was not an excuse for the lack of value for money.

I will follow up on my question, Ms. Reza.

In the letter the CFO of CBSA wrote to you for the national security exemption, he stated that this contract would be necessary for three months to improve low-touch IT. Why would any company need \$13.9 million for three months of work?

• (1015)

Ms. Arianne Reza: I believe that when the CFO wrote to PSPC seeking the invocation of a national security exemption, described was a whole series of different low-touch technologies to keep all of the various borders open. I don't remember seeing anything in relation to any one contractor or any \$13.9 million.

I know that in the response PSPC provided, we limited it and said their NSE would be valid for a three-month period, because, again, with the evolving pandemic, we did not want to give a long-term NSE that would create expectations or further contracting requirements.

Mrs. Stephanie Kusie: Further to this, the contract in question required a document safeguarding capability, DSC, security requirement that was not met by GC Strategies. This requirement was removed 14 months after the contract was initiated.

Why were security requirements that the contractor couldn't even meet put in place for a sole-source contract?

Ms. Arianne Reza: I'm going to ask Madam Poulin to answer.

[Translation]

Ms. Catherine Poulin (Assistant Deputy Minister, Departmental Oversight Branch, Department of Public Works and Government Services): It's important to distinguish between the security clearance required of an organization or staff and a capability required of an organization. It's not necessary for an organization to have the capability when the contract is awarded. However, the organization will need to have the capability when it's required as the contract is being carried out. So it's normal for a contract to be awarded without a capability having been verified through the contract security program.

In the case of GC Strategies, the company didn't need that capability to carry out the contract. The contract was therefore amended to remove that requirement.

The Chair: Thank you very much.

Mrs. Stephanie Kusie: I'd like to thank the witnesses for their answers.

Thank you, Mr. Chair.

[English]

The Chair: Next is Ms. Yip.

You have the floor for six minutes, please.

Ms. Jean Yip (Scarborough—Agincourt, Lib.): Thank you.

Ms. Reza, we appreciate you being ready to come to the first scheduled meeting, which was cancelled. Thank you for rescheduling to come again.

When you are the signing authority for a contract with a client department, can you explain the division of responsibilities between the client department and you?

Ms. Arianne Reza: These divisions of responsibility between the client department and the contracting authority are actually well documented in the Treasury Board policy on contract management.

I'm going to turn to Dominic, who will give us a good overview of it.

Mr. Dominic Laporte: Thank you.

In terms of the division of roles and responsibilities, it's important to keep in mind that the client will define their official requirements. They define their budgets. Basically, they're going to contact the procurement authority with the goods or services they want to procure in mind, and it's up to PSPC to provide advice on the process best suited for the procurement depending on the nature of the services, whether there is a supply arrangement in place or there is a standing offer, to make sure that if this is beyond their client's delegation authority, they can leverage our tools. It allows for a process that is usually competitive. It's streamlined, and we can also benefit from supply arrangements that exist.

In terms of our role, we are the contracting authority, so we're going to make sure, for example, that things are within budget. We take care of the financial evaluation of the bids received. In terms of the technical evaluation, that is up to the client. There are clearly roles and responsibilities spread between the client department and the contracting authority, and oftentimes PSPC plays a role.

• (1020)

Ms. Jean Yip: Just to be clear, does PSPC have the authority to go through and verify the information being provided by client departments?

Mr. Dominic Laporte: We certainly do. This is something that has been truly reinforced since November 28 with our client departments. On December 4, we sent directives to all of our staff to make sure we have a task authorization checklist. That is mandatory for requesting information. It is not necessarily a checklist that has been provided by the client. It's about seeing copies of CVs, having an actual attestation of the resources and permission to use their names and seeing that their experience is accurately represented. All of these things are now being double-checked by PSPC when we're using our authority.

Ms. Jean Yip: Ms. Reza, as the Auditor General noted, PSPC did raise the issue and pushed back in the case of at least one contract that went to GC Strategies. Can you tell us more about that?

Ms. Arianne Reza: Our team has shared a package of information around that, but to describe it in more detail, you will see that there is an exchange of emails. As just noted, the sole-source justification is the responsibility of the department. They created a sole-source justification. The contracting authority pushed back several times, looking to ensure that the information was accurate and that it was really clear. We had to be convinced that there was only one IT firm that could provide staff augmentation on this, looking at the timelines that were provided.

There was a whole series of steps, with a challenge function at the DG level within CBSA, to outline specifically what was required to move forward.

Ms. Jean Yip: I'm sorry. I did not hear your last sentence. The mic might not have picked it up.

Ms. Arianne Reza: My apologies.

I ended by saying that there was a whole series of steps outlined in the email to CBSA, asking for further information to document the file and to satisfy PSPC's challenge function on the sole-source justification, the length of the contract and why they were not looking at different options.

In emergency situations like we saw in the pandemic, while we weren't able to run full competitions, we kept defaulting to quick competitions of five, 10 or 15 days to try to ensure that we were using competitive tools.

Ms. Jean Yip: How did those quick competitions go?

Ms. Arianne Reza: The quick competitions worked very well across a broad range of commodities in PPE and for various logistics pieces we put in place.

Ms. Jean Yip: What authority does PSPC have to reject a contract request from client departments?

Ms. Arianne Reza: I'll turn to Dominic for the technical answer to that.

Mr. Dominic Laporte: In terms of our authority, we have to be careful when we allow a department to use our procurement instrument, whether it's a standing offer or a supply arrangement. Our role is to play a challenge function, making sure that people abide by the rule of having open, fair and transparent procurement.

This is an interesting question you're raising: To what extent can we basically say no to the client? I think here, in the context of the pandemic, you have to remember the context for CBSA employees. It was very difficult to have them at the border stations. All these elements made it a bit more challenging to play a challenge function back then.

I have to say that in the context of regular challenge function eventualities, we will say no. We've said no to clients in the past. For example, they will not be able to leverage some of our procurement vehicles if they don't abide by the terms and conditions.

The Chair: Thank you. That is the time for that segment.

[Translation]

Mr. Lemire now has the floor for six minutes.

Mr. Sébastien Lemire (Abitibi—Témiscamingue, BQ): Thank you, Mr. Chair.

I'd like to thank the witnesses for their contribution to this important study.

Paragraph 1.51 of the Auditor General's report reads as follows:

We found that Public Services and Procurement Canada, as the government's central purchasing and contracting authority, challenged the Canada Border Services Agency for proposing and using non-competitive processes for ArriveCAN and recommended various alternatives. These alternatives included running a shorter competitive process (for example, 10 days) or incorporating shorter contract periods with a non-competitive approach.

You confirmed that for us in your opening remarks.

We know that Public Services and Procurement Canada had challenged certain actions taken by the Canada Border Services Agency with respect to ArriveCAN, but we had no access to the emails.

At a previous committee meeting, we were told that we could have access to the emails for 30 days. However, yesterday, a representative of the Treasury Board Secretariat suggested we could have access for six months.

Can you confirm for us how long we can have access to those deleted emails for?

• (1025)

Ms. Arianne Reza: We'll need to check the document retention policy.

However, I want to point out that last night, we sent the committee clerk the emails requested of us in this regard.

Mr. Sébastien Lemire: We have still not received the emails that were requested at our last committee meeting, even though the Auditor General already had them. Why is it taking so long to send us some emails?

I would remind you that elected officials play a vital role in shedding light on various issues. So it is essential that we are given access to information quickly and transparently so we can do our work.

Ms. Arianne Reza: We are doing our best to send them as quickly as possible. It typically takes us between 14 and 21 days to find the documents requested, have them translated and send them directly.

Would like to add something, Mr. Laporte?

Mr. Dominic Laporte: Yes, I would.

I can tell you that the documents in question are being translated. Some of the documents were released to the committee last night. We have been very diligent with this request. We do have to allow some time for translation. That said, the documents will be provided very soon. If not today, it will be in the coming days. It has been just two weeks since we last appeared before you. Since then, we had to locate the emails and get the necessary approvals. The documents you have not yet received should be forthcoming very soon.

Mr. Sébastien Lemire: Thank you. I am glad to hear you are taking the request seriously. Seeing those emails is essential, specifically to understand what levels of authorization or access were granted so we can prevent this kind of thing from happening again.

We know there has been a lot of media coverage of the ArriveCAN file. I would be curious to know how the crisis was handled within the department. Did you create a crisis response team? If so, who was part of it? Who was in charge? That is one of the main outstanding issues regarding ArriveCAN.

Ms. Arianne Reza: We have given a great deal of thought to it. During the pandemic, our department did procurement work and awarded close to 16,000 contracts, for a total value of \$20 billion.

[English]

That's 16,000 contracts in a two-year period for 20 billion dollars' worth of procurement on PPE, on vaccine procurements and on logistics, with a workforce of approximately a thousand employees and executives working in this field. We did our best to make sure we had records, that governance was taking place and that we were supporting a vast array of not only clients, but also, in the period of time we're talking about, the provinces and territories, which turned to us for assistance with their acquisitions for hospitals and with spooling up logistics trains. There were a lot of different pieces going on, with the same workforce trying to meet a breadth of needs that were very specific.

In terms of how we normally do things, there are many different hands working on many different contracts. It is not a one-to-one relationship. We support all of our clients, and we try to provide a level of due diligence and put in place a framework that ensure the rules are followed for transparency and openness and there is best value in the procurement process.

[Translation]

I will stop there. I don't know if Mr. Laporte would like to add something.

Mr. Dominic Laporte: I don't know if you were referring specifically to ArriveCAN when you mentioned crisis management. I have to say that our department did not have a public contract file called "ArriveCAN". It is important to look at the context. We provided informatics services to the Canada Border Services Agency, and ArriveCAN was one of the various informatics tools and services provided to the Canada Border Services Agency.

• (1030)

Mr. Sébastien Lemire: So you are saying that the procurement process for the ArriveCAN application could not be conducted in the usual way, given the market in Ottawa and the complex border management system.

Do you think the government gave you the necessary leeway and resources for such a project to be successful, from a technical point of view?

Ms. Arianne Reza: I think that is a question for the Canada Border Services Agency.

The Chair: Thank you very much.

[English]

Next up is MP Idlout.

You have the floor for up to six minutes, please.

Ms. Lori Idlout (Nunavut, NDP): *Qujannamiik, Iksivautaq.* Thank you, Mr. Chair.

First, I am shocked at what was discovered in the ArriveCAN report. I can't believe that nearly \$60 million in contracts was awarded to companies and CEOs who did so little work to earn it. I am shocked at the lack of accountability measures. I am shocked that this company claimed to be an indigenous business.

The \$60 million that went to profits could have made a world of difference in my riding. It could have gone toward a harvesters support grant and funding for community food programs that help to alleviate food insecurity, a condition imposed by a lack of investment for decades by successive Liberal and Conservative governments. The Liberal government is looking to sunset this important program, which supports hunters in providing for families and communities. Groceries and supplies are too costly, and most families cannot afford them.

How, I ask, is it acceptable to this government to find nearly \$60 million for just a handful of CEOs and well-connected insiders?

My first question is for the deputy minister.

I cannot go to my constituents to even try to justify to them that the ArriveCAN app was worth it. I am asking you to speak to the families in my riding that cannot afford basic groceries because the programs designed to lower their costs are not working. I am asking you to explain to them why the government let some CEOs walk away with millions.

Ms. Arianne Reza: The issue that has been uncovered in the last week on Dalian and its use of contracting and its employment is egregious. It's wrong, and it is a terrible situation. I have picked up the phone to speak to the RCMP commissioner. It has been suspended, so action is being taken.

I empathize that the situation is not acceptable. It has come to our attention, and we have moved as swiftly as possible to do something about it.

Ms. Lori Idlout: In yesterday's testimony, this committee was told that the Liberals and Conservatives together awarded a total value of around \$107 million in contracts to GC Strategies, Dalian, Coradix and Coredal Systems. Are you of the opinion that Canadians got full value for their money out of those contracts?

Ms. Arianne Reza: Those contracts span many years, and many different departments have had work done by those firms. Those firms have provided a variety of services, mostly in the professional services IT staff augmentation, which is the support to in-house priorities and deliverables, and they have indicated that they have received value.

Where there is questionable value, as we've seen from the AG's report, actions are being taken to examine further measures.

Ms. Lori Idlout: I will now turn to the decision-making process around the suspensions of GC Strategies, Dalian and Coradix, which were announced yesterday.

Can you tell this committee when the decision was made to review the security credentials of these companies and what the motivations for that review were?

• (1035)

Ms. Arianne Reza: I'm going to turn to Madam Poulin.

Ms. Catherine Poulin: I will go one by one.

If we're talking about Dalian, a decision has been made to revoke the security clearance of the organization. This is mainly based on the fact that Dalian has two key senior officials representing the company vis-à-vis the contract security program. When we are informed that there are allegations against a company or key senior officials, we need to verify and support the evidence to see if it's against the controls or to see what is required from the individual or the company to be in good standing with the contract security program.

As we were informed that a key senior official was also a full-time employee in one of the departments, this is against the requirements or control of the program. We were able to support that allegation very fast, and we were in a position to suspend the security clearance of the key senior official and the security clearance of the organization.

To go to GC Strategies, it's the same process we are using to assess the compliance of the organization vis-à-vis the contract security program. We received allegations. However, allegations are not enough to support a decision to suspend. We need to support that by evidence, and as soon as we got enough evidence to support the decision, we decided to suspend the security clearance of the key senior officials and the company.

The Chair: Thank you.

That is the time and finishes our first round.

We're now beginning the second round with Mr. Barrett.

You have the floor for five minutes, please.

Mr. Michael Barrett (Leeds—Grenville—Thousand Islands and Rideau Lakes, CPC): Has PSPC outright banned GC Strategies from receiving any and all government contracts?

Ms. Arianne Reza: There are two tools we use. One is a procurement stop-work order for 180 days. That's in place across the system. We have a second tool, which is a heavy hammer in terms of security. If you don't hold a security...you can't do business. Both tools are in place, and right now we're working across the system to terminate contracts and there's no new work.

Mr. Michael Barrett: Is that a pause or is that a prohibition? Let's just use plain language so that people understand.

Ms. Arianne Reza: I'm just putting it in place in my head. The suspension is a prohibition until further notice. If there's more information forthcoming, if the RCMP—

Mr. Michael Barrett: That's a pause.

Ms. Arianne Reza: Well, for all intents and purposes, it can't be in perpetuity without some type of recourse, so we consider them suspensions. There would have to be a very high response to get it back. That seems very doubtful at this stage.

I'm going to turn again to Dominic.

Mr. Dominic Laporte: I'm happy to add very quickly to that.

They are currently suspended for 180 days. At the same time, we are seriously looking at termination. Basically, we want to make sure that those decisions are not made lightly. I want to make sure that I receive evidence, eventually, from my colleagues. We're going to be taking that into account. If the grounds are sufficient for termination—if it basically validates the grounds that we had for the suspension—we'll proceed with the termination.

Mr. Michael Barrett: Let me run something by you very specifically in the case of GC Strategies.

We had the principal for GC Strategies, Mr. Firth, here at a parliamentary committee. In the testimony that I'm certain you're privy to—you've seen it—he admitted to falsifying information that he used to win a bid. He lied, and he admitted that at committee.

Whether or not the RCMP can use that in a criminal investigation is a separate question, but can PSPC use it? He admitted to fraudulent activity in order to win bids from the Government of Canada. Is that not enough?

He has also been caught multiple times objectively lying to a parliamentary committee, but are fraud and forgery not sufficient grounds to ban, to blacklist and to have a prohibition in perpetuity for a contractor when we're talking about tax dollars?

• (1040)

Mr. Dominic Laporte: As to what is said in front of committee, we have to be careful with that so that it does not necessarily.... Can we transpose that and use it? Again I would say that we start with the suspension and the desired effect is accomplished. Basically, the company can no longer secure any government contracts, can no longer do business. We take the time because we want to make it right. If we're going to terminate, we want to make sure that the supplier is not able to come back and allege that, for whatever reason, this person was not properly terminated—

Mr. Michael Barrett: Are they being paid for anything right now, Mr. Laporte?

Mr. Dominic Laporte: To my knowledge, they're not being paid by PSPC for any contract being done.

Mr. Michael Barrett: Do they have any contracts with the Government of Canada? Are there any ongoing contracts with the Social Sciences and Humanities Research Council of Canada, for example?

Mr. Dominic Laporte: There was a call-out done by TBS and it did not indicate that there were any outstanding contracts with them or payments being made.

Mr. Michael Barrett: Then you're confirming today that GC Strategies has no ongoing business with the Government of Canada.

Mr. Dominic Laporte: That is my understanding, and I would be pleased to validate that with the committee.

Mr. Michael Barrett: You'll report back to the committee, but we'll take your answer at face value.

The Chair: Thank you, Mr. Barrett. The committee looks forward to that validation.

I appreciate your answer today. There was a request, and you have acknowledged that you will validate that. We look forward to it. Thank you.

Mr. Barrett, you have a minute and five seconds.

Mr. Michael Barrett: In how many instances or contracts did GC Strategies use false information in order to win the bid?

Ms. Arianne Reza: I think at the request of OGGO, we looked at two areas of all active contracts with the three suppliers: their security and their CVs. In fact, Catherine's shop led the investigation.

[*Translation*]

Ms. Catherine Poulin: As the deputy minister said, we did our due diligence when the allegations were brought to our attention. We worked with the departments and agencies that had active contracts with those companies. Primarily, we sought to confirm two things: did the people have the right security clearance to work on the contracts and were they what they claimed to be. We also worked with the supplier companies to obtain CVs. Those CVs were forwarded to the departments and agencies to ensure that those people were in the right category or were really at the level they claimed to be. At that point, no—

[*English*]

Mr. Michael Barrett: I'm out of time, ma'am.

I appreciate the process. I'm looking for the number of occurrences.

[*Translation*]

Ms. Catherine Poulin: [*Inaudible*] during that verification process, which began in recent months.

The Chair: Thank you very much.

[*English*]

Next is Ms. Bradford.

You have the floor for five minutes, please.

Mr. Michael Barrett: Mr. Chair, I have a point of order.

The Chair: Wait just one second, Ms. Bradford.

Go ahead, Mr. Barrett.

Mr. Michael Barrett: The response from the witness was not captured in interpretation. The completeness of her answer was not captured, so if she could restate it, we could have it translated.

The Chair: Would you mind repeating that?

[*Translation*]

You may choose to repeat it in French or in English.

[*English*]

We'll make sure the interpretation is working.

[*Translation*]

Ms. Catherine Poulin: No problem, Mr. Chair.

I concluded my answer by saying that when we verified the people's security clearances and CVs, which we had asked the suppliers to provide, we found no exception that allowed us to intervene in the contracts.

The Chair: Thank you very much.

[*English*]

Next is Ms. Bradford.

You have the floor for five minutes, please.

Ms. Valerie Bradford: Thank you, Mr. Chair.

Thank you to the witnesses for appearing today.

I want to look at the area of delegated authority, so my question is for the deputy minister.

Can you describe for the committee, please, more about delegated authorities? How do those work and what goes to a minister and what doesn't?

Ms. Arianne Reza: There are a couple of different lenses to this.

There is the delegated authority from the Financial Administration Act. Often, when you have to run a department, the minister has to be able to delegate authorities to the deputy minister and to the executives and employees below. Different levels of the organization receive the training to exercise their delegated responsibility when it comes to financial controls. Can you sign for a budget? Can you provide assurances that you've received the goods and services that were ordered?

On the contracting front, there's a very similar kind of delegation instrument for contracting authorities. It is refreshed frequently, and usually the delegation of authority for what the minister, the deputy minister or the assistant deputy minister signs off on to authorize entry into contracts is dependent on risk, material level and various elements.

In non-COVID times, the Minister of Public Services and Procurement has delegated their authority to the position of assistant deputy minister and, in some cases, below. During the pandemic, an updated set of delegated authorities was put in place with the support of Treasury Board because we couldn't keep up with the existing levels, and we provided various elements and staff training around the new delegation instruments.

• (1045)

Ms. Valerie Bradford: What volume of contracts are we talking about on an annual basis?

Ms. Arianne Reza: I think this is a really important question as we look at the procurement function in the Government of Canada going forward, at what we need to deliver to support government priorities and at how we actually structure our procurements.

What's important here is that in procurement, there are approximately 450,000 procurement-related transactions done on an annual basis across the Government of Canada. At PSPC we do approximately 16,000 of these transactions. That roughly translates into contracts, although it's not a perfect one-to-one because there are amendments and other elements.

PSPC does a very small percentage of them as a contract authority of the government's procurement function. The rest are done under the departments' own authorities—their own contracting authorities and financial authorities. With regard to those we do, they represent about \$20 billion a year of procurement on the basis of an annual spend of the Government of Canada, which I believe is around \$34 billion.

Ms. Valerie Bradford: What could the impact be if a delegated authority weren't in place and everything had to go through the minister?

Ms. Arianne Reza: It would not be doable. If you look at the volume, the risks, the complexity and the training a procurement officer needs to challenge function and ensure that a file is properly documented, it would just be impossible. In many instances, files of a certain volume, complexity and risk go to Treasury Board. Even then it is a challenge to try to keep up with the volume.

I'll just pause here and turn to Dominic.

Mr. Dominic Laporte: I fully agree with the deputy. Ultimately, Canadians wouldn't get the service they deserve from the Canadian government. It would stall the entire machine.

Ms. Valerie Bradford: Okay.

PSPC has suspended the task authorization authority for all 87 departments and agencies it contracts for when it comes to IT professional services, not just for CBSA and the companies involved in ArriveCAN but for everybody. PSPC is negotiating new agreements with these departments and agencies to ensure more rigour in contracting.

Can you tell us about what will be different in these new agreements versus how things were done previously?

Ms. Arianne Reza: Before I turn to Dominic, it's really important to say at the outset that the reason we're doing this across professional services—IT staff augmentation in general and how we manage task authorizations—is that the comments coming from the report were around the actual tool and making sure that we're using it to ensure best value and clear deliverables so that when we do get audited or when we want to go back and look at the decision-making, there's a clear evidentiary trail. We decided that we needed to really look at it across the whole commodity to make sure we were providing best value in the procurement process.

Dominic.

Mr. Dominic Laporte: Very good points have been raised. In addition, we want to make sure that we stay away from broad general task descriptions and ensure that the required skill set is not too wide.

This is also in response to Auditor General recommendation 1.73, formulated to PSPC, on improving the evaluation requirement. Basically, it's making sure that when we look at CVs, it's not only at the contract award stage; it's also at the TA stage. It's making sure that, as I've alluded to, we get from the client the actual evidence in the CVs of the resources that are being proposed. Those resources attest to the accuracy of their experience. They also provide the authorization to use a CV by a bidder or supplier.

There are all those steps in addition to greater transparency, I would say. We also want to know who the subcontractors are who will be used. What are the terms of the daily rate they will be providing? There are new requirements, all incorporated into what we call a task authorization checklist that has now become mandatory for using our tool or supply arrangement. If a client doesn't comply with this new tool, they will not be able to use it. That will bring a lot of additional discipline to make sure that tasks are clearly defined. It's also linked to a specific outcome where security requirements are being met. There are security requirements. There are tons of new requirements.

Also, when we're dealing with contract amendments, we want to make sure there's a true reason for a contract amendment. Is the scope increasing? What are the reasons? What are the obligations to proceed?

Our officers will be performing many more challenges in the future than they have in the past, not only being satisfied that they have asked the client but also looking at the actual evidence provided and, most importantly, as outlined by the Auditor General, making sure that everything is documented. We will be putting a lot of emphasis on proper documentation. That will help. We're also leveraging our new EPS, or electronic procurement system.

● (1050)

The Chair: Thank you. I appreciate that.

That went over, but I wanted to make sure we had a fulsome answer from you and your department.

[Translation]

Mr. Lemire now has the floor for two and a half minutes.

Mr. Sébastien Lemire: Thank you, Mr. Chair.

Let's talk about Dalian.

The newspaper La Presse reported that the firm's president and founder, David Yeo, was both a private consultant and a civil servant with the Department of National Defence. It reported that the value of the contracts obtained by Dalian since 2008 total \$149.4 million, including more than \$3 million for contracts awarded by National Defence, according to information taken from public accounts. The article stated further that the department did not say whether Mr. Yeo had been suspended with or without pay while an internal investigation was carried out. La Presse stated that Mr. Yeo received double compensation from the government, as an employee and as a contract worker.

If I understand correctly, no checks are done when contracts are awarded to companies such as Dalian.

We are talking about a company that received a total of close to \$150 million in contracts since 2008 and whose president was also as a civil servant.

How can you explain that?

Ms. Arianne Reza: As I said in my opening remarks, you have to understand that there are a lot of policies relating to the responsibility of an employee or in this case of a supplier.

[English]

The onus is on them to declare their responsibility. Public servants have, as a condition of employment, a requirement to declare conflicts of interest.

On that side, I believe this committee has asked colleagues from the Department of National Defence to come and speak to the actions they're taking. It's very important, as a general response, to understand that we have a framework to prevent, detect and respond to conflicts of interest.

Many different measures and triggers have been put in place by this. When we know about them, we act on them. The onus is on

both the public servant and the contractor to disclose any potential conflict.

This is a very unusual situation. I believe we've been asked to come back and provide more detail on other similar cases that we know about.

[Translation]

In closing, let me say simply that, last year, Public Services and Procurement Canada fired five employees who did not comply with the policies requiring them to declare a conflict of interest. As in every case when an employee is fired for wrongdoing in the public service, we published the information on the Government of Canada's Open Government portal.

Mr. Sébastien Lemire: But the checks are done later on, and not when the person is hired.

Ms. Arianne Reza: Before signing an offer of employment, the employee has to fill out a form disclosing any conflicts of interest. At that time, a decision is made based on the level of conflict of interest.

The Chair: Thank you very much.

[English]

Next up is Ms. Idlout. You have the floor for two and a half minutes, please.

Ms. Lori Idlout: *Qujannamiik, Iksivautaq.* Thank you, Mr. Chair.

As I said in my opening statement, I was shocked that the ArriveCAN app contract was awarded to a business that claimed to be indigenous.

I want to ask about the procurement process, but first I would like to ask the deputy minister if it's a priority of this government to ensure that indigenous businesses and entrepreneurs receive contracts. If so, can the deputy minister explain why?

● (1055)

Ms. Arianne Reza: This is indeed a very key deliverable for the Government of Canada as it relates to procurement, truth and reconciliation and some of the work that's been done in Parliament and various committees.

Some reports have come out putting a 5% set-aside of what the Government of Canada spends on procurement toward indigenous firms as a goal the government is actively pursuing. As part of that, the Department of Indigenous Services has a directory of indigenous suppliers that have qualified so that when the government is looking to fulfill various goods and services contracts and looking to procure solicitation documents, that directory is consulted. We also make targeted efforts in various communities across Canada and in various first nations to try to use economic levers to encourage various indigenous SMEs to come and compete for federal procurement opportunities.

Ms. Lori Idlout: Did anyone in the department, or did the deputy minister, check to see if the recipient of this contract was a part of that registry?

Ms. Arianne Reza: Officials who were looking at the contracting did confirm with Indigenous Services Canada that they were a member in good standing in the indigenous business directory. That being said, we did ask them to carry out further audits as more and more information came to light, and an audit is under way with colleagues at Indigenous Services Canada.

Ms. Lori Idlout: Did anyone contact Alderville First Nation to verify that Mr. Yeo is a member of that community?

Ms. Arianne Reza: I believe that this is under way with Indigenous Services Canada.

The Chair: Thank you. That is your time.

Next up we have Mr. Genuis.

You have the floor for five minutes.

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Thank you, Mr. Chair.

I'll just pick up on the issue of indigenous procurement.

Dalian's identity as an indigenous company as part of the set-aside for indigenous procurement is obviously absurd and a manipulation of the intention of the policy. The intention of the policy, presumably, is to give opportunities to indigenous Canadians to work in jobs that flow from government procurement. However, this was a company that simply received contracts and subcontracted them, taking a cut along the way. There were no opportunities created for indigenous people as a result of this.

You mentioned a registry or a list of indigenous companies that are used when considering this 5% set-aside. What percentage of those companies actually create jobs for indigenous people in Canada?

Ms. Arianne Reza: I actually don't have that information. I will refer the question to Indigenous Services Canada. There are about 2,600 companies on that list in various commodity areas.

Mr. Garnett Genuis: I think we need to get further information at this committee or elsewhere about what extent those companies should really qualify given the objective of the policy to create opportunities for indigenous Canadians.

Ms. Reza, I want to ask you about staff augmentation. You spoke at the government operations committee about this. You said, "Traditionally, staff augmentation works in a similar manner, whereby you bring in a temp agency and it takes on the burden of finding the resources." You said, "There are many shops that do this across the system, so there are about 635 IT firms that provide staff augmentation services."

Canadians have become familiar with three companies—Coradix, Dalian and GC Strategies—that receive work and subcontract, often without providing any actual value themselves. However, this is an incredible number. We're not just talking about three companies; there are 635 companies. Why is this practice of multi-level subcontracting so common that there are 635 different companies doing it?

Ms. Arianne Reza: First off, there are 635 companies that provide task-based IT professional services. In terms of why there are

so many, the Government of Canada has various priorities that need to be filled by niche skill sets of IT professionals.

In terms of your question about—

• (1100)

Mr. Garnett Genuis: I'm sorry. I just want to clarify.

These are folks doing staff augmentation, which you defined before the government operations committee not as doing the actual IT work, but as doing the work of finding people who can do the work. Why can't the Government of Canada just maintain the database of external resources that have this expertise instead of going to 635 different companies that would act as middlemen? Why can't we just keep a registry of those capable of doing the work to perform specific tasks?

Ms. Arianne Reza: I received a similar question recently, and I think the traditional model, if you permit, is like having a general contractor when you need to find somebody with a specific skill—an electrician or a certified plumber. Now what is being proposed is that we don't use that skill set, which has been very helpful to us in the past to find resources when we need to bring them in, regardless of whether it's IT or other staff augmentation, but have a dataset where we can type in and say that we need five IT engineers, five computer science graduates, etc. We're taking that on. We're looking at various elements, and I believe we have a module that has the potential for us to do that. Again, it's going to require a lot of administration now that—

Mr. Garnett Genuis: I just want to clarify the question.

I think the idea of having someone who has a general contracting function, someone who oversees the process of finding those external resources as necessary.... I mean, someone needs to be in charge of the project. I just don't understand why that general contracting function can't be a public servant, why there can't be someone inside of government who has that skill set of knowing where these different resources are and is able to consult the appropriate database.

I want to ask you specifically how many of these 635 middleman companies have two employees or fewer.

Ms. Arianne Reza: I believe that is an outstanding question we're working on. The list is publicly available and all the companies are on it, but we're trying to work to provide the breakdown.

Some of them are very large companies that are well known. Some of them are very small—

Mr. Garnett Genuis: Okay. Just to clarify, you are in the process of providing to this committee the details of how many employees each of those 635 companies has. When can we expect that information?

Ms. Arianne Reza: I'm not sure if it's for this committee or OGO, but I know we're looking at it.

I'm just looking over here. Do we have further information?

Mr. Dominic Laporte: I don't think we have further information to share right now. I would just be careful—

Mr. Garnett Genuis: Just to clarify, we would like that information at this committee as well, if you can provide it, please. Do you agree to do that?

Mr. Dominic Laporte: Yes.

Mr. Garnett Genuis: Thank you.

I'm sorry. Were you finished with your response to that question?

Mr. Dominic Laporte: No, that's fine.

I just wanted to say that we have to be careful not to paint all suppliers with the same brush as these three companies. Some of them are—

Mr. Garnett Genuis: But they're all doing the staff augmentation work of subcontracting—

The Chair: Mr. Genuis, your time is up.

Mr. Laporte, if you'd like to finish your answer briefly, because the time has elapsed, go ahead.

Mr. Dominic Laporte: I'd say we have three companies that have been under the radar. We have to be careful, because we have legitimate suppliers that truly provide added value to the Government of Canada. I would be careful, before we have all the evidence.

Basically, it's systemic. Don't paint all suppliers with the same brush. I think we just have to be mindful of that.

The Chair: Thank you very much.

Next is Mrs. Shanahan.

You have the floor for five minutes, please

Mrs. Brenda Shanahan (Châteauguay—Lacolle, Lib.): Thank you, Chair.

I, too, thank the witnesses for being here. We've had occasion to expect we'd be questioning these witnesses, and that didn't happen in the past. It was abruptly cancelled, so it's good to see the witnesses here.

Continuing on that line, it's a reminder, I think, to all colleagues that in this committee, we're not here to micromanage.

It's interesting to hear that my Conservative colleague supports us hiring more, qualified public servants. I hope that continues to be the case and they will not be under the fear of being fired abruptly at any future time because somebody thinks it's a good move to make. As we have seen, it has long-term consequences to the professionalism, expertise and capacity of the public service to effectively carry out and monitor the work being done.

I am glad to see the deputy minister here, because I want to emphasize that it is with deputy ministers that this committee conducts its work. In the interest of contrast, I would like to ask what role the minister or minister's office plays in selecting bidders.

Ms. Arianne Reza: There's zero role in terms of what the minister does.

Procurement, from a PSPC perspective, is fair, open and transparent, and there is a very clear delineation between what is done in the public service and what is discussed with the minister. The minister is briefed on outcomes of procurement, with a focus on the fairness and transparency of various elements and on things that we're doing to improve procurement.

We are very much interested in procurement modernization. He has been briefed on various elements of that, which has included having discussions on what we can do for better vendor performance management and better integrity, how we do price substantiation and what the risk mitigation controls are. Those are appropriate roles for the Minister of Public Works. There are various elements here, and as I pointed out earlier, there's been a lot of delegation of responsibilities to ensure that there's no political interference.

If I... Thank you.

• (1105)

Mrs. Brenda Shanahan: Please continue, because I'm very concerned about that. I think Canadians want to be reassured that there is no political interference with the procurement process and, indeed, any investigations that come thereafter, because any manner of harmful effects could arrive.

Please continue.

Ms. Arianne Reza: There is a lot of emphasis put on this in terms of the quality of our briefing and ensuring that the minister is aware of things that are happening when a decision has been taken when there are active procurements.

There is a prohibition to meet on various elements. Meetings occur. They are always with a public servant official present. We put a focus on fairness and we have fairness monitoring. We really take this very seriously. The ministers have all been very serious, aware and alive to this issue.

I would also note, for example, that when we were doing vaccine procurement, we all signed additional...over and above our regular conflicts of interest. We had the public sector, I think the MINO and the ministers all signing off to ensure that due diligence was being done and that there were controls to separate the political and public sector aspects.

Mrs. Brenda Shanahan: Thank you.

On that note, it was recently reported that the current minister was not briefed on ArriveCAN as part of the "hot issues" section of his transition binder. PSPC has had seven ministers over the last 10 years. It would seem to me that your department has experience with transition.

Not everything can be included in the binder. Can you tell us how those priority issues are triaged and prepared?

Ms. Arianne Reza: I think it's reasonable to say that the binder is for providing an overview of the key issues in front of the department. We at PSPC do more than procurement. We are the Receiver General for Canada. We do the translation for the Government of Canada. We do defence procurement. We are the custodian of real property.

There is a whole slew of things that need to be briefed on and provided in terms of legislation and acts. In that first run-up in July, we wanted to focus on what was immediate, as you indicated—

Mrs. Brenda Shanahan: Indeed, Deputy Minister, would the fact that not a single question was raised about the issue by the opposition in question period for the first six months prior to the transition—

The Chair: Thank you, Mrs. Shanahan. That is your time. You are well over.

Mrs. Brenda Shanahan: Well, you've been good with the time, Chair. We've appreciated it.

The Chair: I have. I think I gave Ms. Bradford well over a minute more, but that doesn't mean I extend it to every minister and every member. Of course, the government side has many more time slots. You'll be able to return to this.

We'll begin our third round with Mr. Genuis.

You have the floor for five minutes, please.

Mr. Garnett Genuis: Thank you, Chair.

I want to ask specifically about the Liberal Minister of Procurement, Jean-Yves Duclos. We just heard some questions about the role of the minister. We're supposed to have a system of ministerial accountability, but you've just said that the minister effectively has no actual role in procurement.

Given that his title is the Minister of Procurement, I'm just trying to understand this. What does Jean-Yves Duclos do all day as the Minister of Procurement?

Ms. Arianne Reza: Just to clarify, I was speaking about active procurement where there are open bids.

Mr. Garnett Genuis: Okay.

When it comes to ArriveCAN, you have the decision made. You have the ensuing problems and scandals with the policies related to it. Your department advises CBSA that there are problems. Are we to believe that all throughout this process, not just while the bid is actually open, there is no role for the minister or the minister's office?

• (1110)

Ms. Arianne Reza: I think it might be helpful to give a bit of historical context.

Mr. Garnett Genuis: You'll have to be very brief. I have only five minutes.

Ms. Arianne Reza: I'll be very brief. I'm very respectful in the sense that I try to answer the questions very quickly.

Mr. Garnett Genuis: Okay. I'll interrupt in 30 seconds.

Ms. Arianne Reza: In 2020, when the first contracts were being let, there was no mention of ArriveCAN. Any briefing being pro-

vided to the minister at that time was that it was all hands on deck. Every department needed certain additional support to keep everything open, including the border. It would have been that level of briefing. As ArriveCAN became more of a bespoke name, briefings started coming more into that area. In 2022, there were QP notes, which is a traditional way to brief.

You asked about Minister Duclos. Minister Duclos has been briefed on many different aspects of it. You asked about the responsibility of the PSPC minister. We have everything from security to contract integrity. These are areas the minister is involved in—

Mr. Garnett Genuis: I'm going to jump in. Thank you. You'll have a chance to respond again.

Since the pandemic started, there have been four Liberal ministers of procurement—Anita Anand, Filomena Tassi, Helena Jaczek and now Jean-Yves Duclos. That's four ministers in about four years. Is it reasonable to assume that all four of them had been briefed about either ArriveCAN or the ArriveCAN project before it had that name? In the process of engaging ministers, are they actually providing policy direction? Are they raising concerns about aspects of the process?

You talked a lot about ministers being briefed about things. I would expect that it's not just a one-way dialogue where you're telling the spokesman for the department what to say if it comes up in the House of Commons. They're actually providing some kind of direction or raising concern about things they're hearing. Can I assume that all four were briefed, to some extent, at certain points in time? At what points did they offer responses, raise policy concerns and suggest adjustments in direction?

Ms. Arianne Reza: I cannot speak in detail to the first one or two. When I became associate deputy minister and then deputy minister, I had more familiarity with the briefings.

They were briefed and engaged on the issues we're facing now: What is the plan? Is the procurement ombudsman engaged? Is the AG engaged? These are the kinds of discussions that are going on in terms of whether there is a substantive issue and, if so, how it is being fixed. What are the risk mitigation strategies? What are the considerations?

Mr. Garnett Genuis: Then they were briefed. They asked questions. You're not really describing a process in which the minister is coming in and saying there's a problem here and you need to fix it. You're not describing a system in which ministers are providing direction. You're just describing a system in which ministers are briefed and are then asking questions.

Would you say that ministers were actively providing corrective direction on policy issues throughout the process, or were ministers being briefed and asking questions about what you were doing as a department?

Ms. Arianne Reza: It's an interesting question you ask because the financial delegations and the accountabilities rest with the CB-SA. We're briefing the Minister of PSPC and are providing some procurement observations. However, on the spend, on the record-keeping, on the controls and on whether the app works, these are—

Mr. Garnett Genuis: Ma'am, you understand my point, though. You're providing information to a person whose title is the Minister of Procurement, and we have a system in which Canadians expect that minister to take responsibility for what happens in that department. The way this is being framed, including by Liberal members—

The Chair: Keep your question brief, Mr. Genuis.

Mr. Garnett Genuis: —is that the minister is just a sort of passive passenger, receiving briefings like students at a seminar listening to what they're being told by the experts and asking interesting questions along the way.

The Chair: Thank you.

I'd like—

Mr. Garnett Genuis: Isn't that a problem?

The Chair: Mr. Genuis, thank you.

I would ask for a brief response, please.

Ms. Arianne Reza: I would say that Minister Duclos has taken an active role. Minister Duclos has been briefed by the Auditor General. We are looking at the whole issue and making sure that we have the direction set to move forward.

The Chair: Thank you very much.

Next up is Ms. Khalid.

You have the floor for five minutes, please.

Ms. Iqra Khalid (Mississauga—Erin Mills, Lib.): Thank you very much, Mr. Chair.

I find it very interesting how hard the Conservatives are trying to tie this to a minister when we have heard time and time again from so many different department officials that there was no minister linked to it. I'll leave that there.

I wonder how much money the Conservatives have spent calling committee meetings to find out how they can scramble to link this to a minister, to link this to some kind of big conspiracy, which they're clearly not finding. I wonder how many millions of dollars they're going to spend just to try to get their political points in.

I want to express how disappointed I was when I read the Auditor General's report. I don't want to see a lack of transparency within the public service because I believe the thousands and thousands of people in the public service do really good work. When something like this happens, it really impacts the trust within our public service, which we rely on, on a day-to-day basis, to get that work done.

I'll start by going back to the situation in 2020.

Ms. Reza, perhaps you can help us understand what was going on in procurement in 2020. How did it differ from 2019?

• (1115)

Ms. Arianne Reza: It differed significantly and radically. We doubled the contract value we did in the year with the same amount of staff. We did it in a position where in mid-March, when we were negotiating services, all of a sudden we were responsible for buying PPE for Canada—not just at the federal level, but to help the provinces and territories.

Buying PPE for Canada was not for the faint of heart. I was front and centre in that, working night and day with many other people who were working night and day, trying to build a supply chain that was able to pivot around the world and able to sort out the needs of Canadians in hospitals. It was incredibly intense. Every department came to us trying to seek the authority needed to deliver critical services to Canadians.

Add to that vaccine procurement in a globally competitive environment, trying to have call centres, getting freezers to keep vaccines, trying to work with a workforce that was exhausted and sick, and trying to deliver services for Canadian society, and it was a pretty intense period of time when a tremendous amount of work went on.

I heard in your question the work the public service is doing. The current situation we're facing in procurement is shattering. I've heard both the AG and the comptroller general of Canada caution that more rules are not required, but as you heard my colleague indicate, we've already started to put in new rules. We've started to enforce them and do what we can to increase our due diligence.

It's going to be a very difficult way forward, based on a year or two of pandemic readiness for PPE, ventilators and the many different commodities that had to be built and for which a supply chain had to be created where there was none before. It was certainly a very difficult period.

Ms. Iqra Khalid: Taxpayer dollars mean a lot. They mean a lot to me, to my colleagues and to every single member in the House, as does how we use them.

As you're going forward and fixing a lot of the mistakes that have happened in the specific contracting, is there a way to get taxpayer dollars back? Are you able to do something about it?

Ms. Arianne Reza: The Government of Canada has different levers it can use for restitution. We are in mid-consultation with our legal services to see what we can do across an array of measures.

Ms. Iqra Khalid: Can you also compare...? During COVID—you spoke about this—there were so many contracts going on, whether they were for the N95 masks, vaccines, etc. Did we see similar procurement practices in all of the other contract negotiations as well?

• (1120)

Ms. Arianne Reza: No, we did not.

I want to add something that I think is very pertinent to the conversation. Because 2020 was such a difficult, turbulent time, when so many things were happening, we actually took the unprecedented measure of sending out a conflict of interest form to all procurement officers and all senior officials in PSPC, asking them if they had any conflicts of interest with the firms we were doing business with. We did that, I think, two or three times in 2020.

We have a thousand COIs on record. We asked them because at that time, Dalian, GC Strategies and Coradix were in the mix of companies we were doing business with for the CBSA application, and we received no responses.

The Chair: Thank you very much.

[*Translation*]

Mr. Lemire, you have the floor for two and a half minutes.

Mr. Sébastien Lemire: Thank you, Mr. Chair.

How can it be that the departmental officials who are responsible for procurement are not aware of the contracts awarded by the various departments they are supposed to advise?

There is something fascinating about all this. How can a company like GC Strategies, which is made up of just two people, obtain so many contracts?

Was there a sense of panic in the department that led to those contracts being awarded without looking at the whole picture?

Ms. Arianne Reza: That's a very interesting question.

As I said before, our department awards a very small number of contracts. Most contracts are awarded by the departments themselves. They are responsible for proactive disclosure, in accordance with a Treasury Board policy.

I will let Mr. Laporte comment further.

Mr. Dominic Laporte: Thank you.

You have to remember that GC Strategies did not pop up out of nowhere. It was qualified under supply arrangements. So it had met certain criteria as to its financial capacity and prior experience. The company did not just pop up suddenly. It had experience and had carried out contracts in the past.

I am not trying to defend the company, but I think you have to look at the context. That is a point I wanted to make regarding GC Strategies.

Mr. Sébastien Lemire: The background also mentions that Ar-riveCAN had to be invented. In your opinion, what explains the fact that the major players in the field of technical resources for projects of this size simply did not bid?

Ms. Arianne Reza: To answer the question, I would like to go back to a comment I made at the beginning of the meeting. The Canada Border Services Agency determined that a single supplier had the capacity to help the agency, as that supplier already had experience in designing a similar application.

However, when a competitive process was used as a method of procurement, other suppliers expressed an interest, but they ultimately did not bid.

Mr. Sébastien Lemire: Thank you.

The Chair: Thank you very much.

[*English*]

Next up is MP Idlout.

You have the floor again for two and a half minutes, please.

Ms. Lori Idlout: *Qujannamiik, Iksivautaq.* Thank you, Mr. Chair.

The deputy minister's response earlier indicates to me that she has received guidance about the importance of reconciliation with indigenous peoples, including in procurement. My next questions will be to seek whether that reaches measures in subcontracting.

Mr. Yeo claimed to have been very busy finding vendors to fulfill the contract he received, so my first question is this: What is the process to ensure that benefits are still delivered to indigenous peoples when contracts are awarded to indigenous businesses and entrepreneurs who intend to subcontract those services?

Ms. Arianne Reza: I'm going to ask my head of procurement to respond.

Mr. Dominic Laporte: That's an excellent question being raised, but unfortunately, this question would have to be directed to Indigenous Services Canada. They're the ones responsible for establishing the criteria for—I know there's a 51% ownership requirement—making sure that there are economic implications for the communities.

This is within their purview, so I wouldn't want to comment on their behalf.

• (1125)

Ms. Lori Idlout: What kind of arrangement do you have with Indigenous Services Canada to make sure those measures are being followed?

Mr. Dominic Laporte: We are in touch with that department. I know that it's actively looking into this. It's looking at the indigenous business directory. Maybe it's reviewing some of the rules. I know that it's quite seized with the question these days.

Ms. Arianne Reza: If I could add, we also do indigenous benefit reports in various fields. For example, here on Parliament Hill for the construction we're doing, we have a report on this area, as well as in defence procurement. We try to capture this in various elements, make it accessible and make known what our expectations are.

Ms. Lori Idlout: This is probably my last question.

Could you provide the details of how Dalian followed the process to ensure that subcontracts were awarded to indigenous businesses and entrepreneurs?

Ms. Arianne Reza: We'll take that question back and provide it to Indigenous Services Canada.

The Chair: Thank you very much.

We're going now to MP Barrett.

You have the floor for five minutes.

Mr. Michael Barrett: Thanks very much.

I want to pick up where we were before.

What was the term you used for the 635, Deputy Minister?

Ms. Arianne Reza: These companies are professional services providers, TBIPS.

Mr. Michael Barrett: They're professional services providers. These 635 companies are not executing on the actual work, as you detailed in the questions from my colleague, but are middlemen. They're just finding resources and providing them.

The Auditor General found that one of them, GC Strategies, wrote an RFP for the government effectively to the exclusion of anyone else but their own company. Is that common practice?

Ms. Arianne Reza: No, it is not.

Mr. Michael Barrett: How many other occurrences of that are there in the Government of Canada?

Ms. Arianne Reza: First, when we saw this in the AG's report, we immediately picked up the phone to talk to the Auditor General, because we were obviously unaware. We have since referred the matter to the RCMP as well. I know this seems to be the door it goes to, but we take these matters very seriously.

When bid material is being prepared, as discussed yesterday in the committee, there's an attestation that says, "Have you been involved in this?" That precludes you from bidding on the work. A lot of bells and whistles are required.

In terms of your exact question, I'll ask Catherine, who has a responsibility in security, to advise us on whether she has any information on data.

Mr. Michael Barrett: I'd like to offer a precision on my question before you respond.

Of the 635 companies, the Auditor General looked at one program and found that one of the contractors was doing this. How many other companies do you suspect have engaged in this? Are you certain that there are no other occurrences of these middlemen writing their own contracts?

Ms. Arianne Reza: We can't be certain. What we do is spend time looking at fraud detection and data mining, and we are constantly auditing the various elements of them.

Catherine.

[*Translation*]

Ms. Catherine Poulin: Thank you.

We have a framework for the prevention and detection of wrongdoing, as well as a framework for responding to certain allegations that are brought to our attention.

As soon as we receive allegations, we check whether there are any documents that can support those allegations. We then proceed to the analysis of the documents to see if there is any evidence to support the allegations.

If we get through that step, we refer the matter to the department's internal investigation team so that it can move forward and launch a formal investigation into those allegations.

If we find elements of criminality, we refer the matter to the Royal Canadian Mounted Police.

[*English*]

Mr. Michael Barrett: Thank you very much.

I will circle back to that, but I just want to revisit this with you, Deputy Minister. Specifically with respect to this issue on the request for proposal being authored by the bid winners GC Strategies, you said the matter was referred to the Royal Canadian Mounted Police.

Chair, her mic didn't turn on.

• (1130)

The Chair: Would you repeat that? I missed that as well.

It should go on automatically.

Mr. Michael Barrett: I just want it confirmed that she said yes.

Ms. Arianne Reza: Yes, it has been.

Mr. Michael Barrett: Okay.

Ms. Poulin, previously you talked about being so reasonably suspicious of the conduct of GC Strategies that you were gathering evidence. Are there additional matters or additional files you have transferred to the RCMP with respect to GC Strategies?

[*Translation*]

Ms. Catherine Poulin: We have a number of administrative reviews and investigations under way. We take seriously all the information given to us by the Canada Border Services Agency, the Office of the Auditor General and the ombudsman's report. We have analyzed all of those files. There are some preliminary investigative steps under way to validate the allegations that have been brought to our attention. As soon as we have sufficient evidence to support these allegations, we will forward the information to the Royal Canadian Mounted Police, as per our process.

[*English*]

Mr. Michael Barrett: Have you at this point transferred any information to the Royal Canadian Mounted Police as a result of those reviews?

[*Translation*]

Ms. Catherine Poulin: We have forwarded the file that was just mentioned by the deputy minister.

We have shared our concerns with the Royal Canadian Mounted Police about the fact that a supplier was working on its own evaluation, its own statement of work.

The Chair: Thank you very much.

[English]

Next is Ms. Yip. You have the floor for five minutes, please.

Ms. Jean Yip: Thank you.

Thank you, Ms. Reza and your department, for your tremendous efforts during the pandemic.

The Auditor General looked at contracting for PPE as well as for vaccines. Can you remind us of her findings on the contracts for these two categories?

Mr. Andrew Hayes: I think I might answer that question.

In terms of the vaccines, we commented on the fact that the government was able to mobilize and get sufficient vaccines for every Canadian to be vaccinated if they wanted to be vaccinated. Our concern related to making sure of the best value. Indeed, in a highly competitive environment, we signalled that it was a challenge for the government.

Obviously, with respect to the earlier audit of personal protective equipment, or PPE, we had similar findings that the government had mobilized to make sure that the PPE needed by Canadians was available.

Ms. Jean Yip: Thank you.

Ms. Reza, yesterday GC Strategies had its security certification suspended, which means it's ineligible from bidding on any contracts with security requirements. Why take this step now?

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

Catherine, would you comment?

[Translation]

Ms. Catherine Poulin: As I explained earlier, we take seriously any allegations that come to our attention about our suppliers or some of their chief executives. It is important to understand that these allegations must be supported by evidence. That is how we can confirm that the chief executive officer of the organization in question or the organization itself is not in compliance with the contract security program.

From the time we started looking into the allegations that had been brought to our attention, we found sufficient evidence to establish that one of the chief executives at GC Strategies was no longer in compliance with the contract security program. The first step was to suspend the security clearance of that chief executive. From the moment that person's security clearance was suspended, GC Strategies automatically became non-compliant with the contract security program. That triggered the suspension of the company's security clearance.

[English]

Ms. Jean Yip: What is the bar for suspension?

[Translation]

Ms. Catherine Poulin: There is no pre-established threshold. Every allegation must be examined with a view to establishing its basis and determining whether there are facts to support it. Sometimes, when there is only one allegation, we will be able to confirm it with evidence.

For example, in the case of the other security clearance suspension that took place, we were informed that a supplier's chief executive had a job while he was the chief executive officer of the company. That involved a very quick verification. We had confirmation of dual employment. Because of other information in the file, we were automatically able to confirm that the chief executive was in non-compliance with the contract security program and we were able to suspend him very quickly.

With respect to GC Strategies, a number of allegations have been raised. The sum of the allegations that were proven resulted in the chief executive being found in non-compliance and having his security clearance suspended.

• (1135)

[English]

Ms. Jean Yip: Thank you.

A very significant issue that the Auditor General's report identifies is the terrible lack of documentation. As we all know, supporting documents were either not kept with the appropriate file or in some cases not kept at all.

PSPC expanded the new electronic procurement system last year. Can you tell us more about the system? Do you believe that had it been in use for this project, it would have addressed some of the concerns around document retention?

Ms. Arianne Reza: I want to start by saying that this is a recommendation that we also saw in OPO, the Office of the Procurement Ombud, in terms of the documentation on the PSPC side that we need to do better.

Dominic is going to talk to it in a moment, but I want to be unequivocal that this is about due diligence and ensuring that we have the right documents on file so that when the auditors come in, Parliament and Canadians can see that there's a clear thread in the decision-making.

We're really going to double down, going forward, on due diligence. You heard my colleague earlier talk about some of the measures we're taking to have greater price substantiation and cost control decisions and the functions that are being associated with the task authorizations meticulously recorded.

However, there is an additional wrap around that, which is the e-procurement system, taking what has traditionally been paper across the system and putting it into a procurement system that's online and digital, and that's going to give us a lot of different various elements, including security, audits and—

Mr. Dominic Laporte: It was launched in 2018, so—

The Chair: I'm sorry, Mr. Laporte. We'll have to come back to this. The time is well over. I appreciate it, but there is time remaining for members to pick this up again. I'm sure they will.

We'll turn now to Ms. Kusie. You have the floor for five minutes, please.

Mrs. Stephanie Kusie: Thank you very much, Mr. Chair. I very much appreciate it.

Before I get into my questions, I just want to say to Canadians and to all the Liberal members on this committee that the ministers are inextricably implicated in overseeing these projects. That's what a minister is for: It's to oversee the spending of taxpayer dollars. It is their job to oversee all these things. It would be impossible not to implicate the ministers in these projects and in the outcomes that are received—or, in this case, not received—for Canadians. It is impossible to not implicate the ministers here. I want to make that absolutely clear.

To the Auditor General's team, you did a report on government benefits modernization and found that it was over budget by \$3 billion. Is that correct?

Mr. Andrew Hayes: I don't remember the exact number, but we did find that it was over budget.

Mrs. Stephanie Kusie: Would it be fair to say that this is the largest IT modernization project or program in Canadian history? Would that be an accurate comment?

Mr. Andrew Hayes: It is certainly a large one when you consider the fact that it's dealing with CPP, EI and other major benefit programs for Canadians.

Mrs. Stephanie Kusie: Would it be fair to say, based on what we've seen with the creation of arrive scam, that this project is largely based on IT outsourcing?

Mr. Andrew Hayes: I think that's evident from the way the contracts have been running. We identified in the report that there was a heavy reliance on external contracts instead of the public service and that, over time, there should have been an analysis of how to move that work to the public service.

Mrs. Stephanie Kusie: Then it would be fair to say that for this project, the largest project in the history of the Canadian government, the Canadian government is using outsourcers such as GC Strategies and others. Would that be a safe assumption in this case?

• (1140)

Mr. Andrew Hayes: Just to be clear on my last answer, I was referring to the ArriveCAN audit.

In terms of the benefits delivery modernization, as we heard from the chief information officer in December, it is important to rely on external contractors for some work. The real question is making sure that there is a rationale for using external contractors versus the public service and identifying when things should be done by the public service.

Mrs. Stephanie Kusie: But essentially the same process that was used for arrive scam is being used for this project, the largest IT project in Canadian governmental history. Would you say that's accurate?

Mr. Andrew Hayes: I don't think I'm in the best place to comment on that. I can perhaps turn it over to the deputy minister.

Before I do that, I would mention that the ArriveCAN application development happened in the context of the pandemic, when national security exceptions may have been available. I don't believe the situation is on the same basis as the benefits delivery modernization.

Mrs. Stephanie Kusie: That's fine, Mr. Hayes. I'll continue with my questioning.

Would you say it's possible, then, that the benefits modernization...? The report completed by your office saw a \$3-billion overrun. We're not even talking \$54 million or \$60 million; it was a \$3-billion overrun. It's safe to say that it could be as a result of the same model that arrive scam is being based upon. Would there be any truth to that statement at all? Would the possibility exist that what we see with arrive scam, a \$60-million minimum, could be used for this largest project ever in the history of Canadian government in IT, which currently is at a \$3-billion overrun? Is that possible?

Mr. Andrew Hayes: I'm having a difficult time making the connection between the two projects. I would say that some of our findings in the ArriveCAN audit would be important for the departments that are involved in benefits delivery modernization, including the importance of making sure that competitive procurement is used as much as possible and including the fact that documentation for decision-making should be clear and concise on the file.

Mrs. Stephanie Kusie: I don't think it is difficult to make the connection, because we have this \$60-million arrive scam application. I think it's very easy to apply it—

Mrs. Brenda Shanahan: I have a point of order, Chair—

The Chair: Just one moment, Ms. Kusie—

Mrs. Stephanie Kusie: —and I'm sure IT middlemen are salivating at the prospect of \$3 billion in overruns.

The Chair: Ms. Kusie, I have stopped the clock. I have a point of order. I will return the floor to you shortly.

Mrs. Stephanie Kusie: Thank you, Mr. Chair.

Mrs. Brenda Shanahan: The witness has been answering the question. We've seen already from the Conservative members that when witnesses are answering questions clearly, they are recharacterizing and misquoting the officials.

Mr. Michael Barrett: This isn't a point of order.

The Chair: Thank you, Mrs. Shanahan. There was no misquoting. They are engaged in a discussion.

Mrs. Kusie, you have the floor.

Mr. Michael Barrett: We discuss. They cover up.

The Chair: You have the floor for about 20 seconds for your closing remarks, please.

Mrs. Stephanie Kusie: Thank you very much, Mr. Chair.

I think it's very evident; any individual knows that if you take a sample size of something, you can apply it to a larger subset. If you take polls as an example, you can take a small poll and apply it to a larger subset. That's just one thing, as an example. I think we would find as well that the mismanagement we have seen in arrive scam is potentially being used in this larger subset of the largest project in the history of Canadian IT government projects.

Thank you very much, Mr. Chair, and thank you to the witnesses.

The Chair: Thank you very much.

Ms. Bradford, you have the floor for five minutes, please.

Ms. Valerie Bradford: Thank you.

I will give my turn over to MP Shanahan. I have to leave for a ministerial announcement. MP Kayabaga has stepped up, so coverage is here.

The floor is yours, Brenda. Thank you so much.

Mrs. Brenda Shanahan: Thank you.

Thank you very much, Chair.

I want to take this time to thank the deputy minister and the entire procurement team for really stepping up during those early days of the pandemic. When the world was in a health crisis never before seen in 100 years, all hands were on deck to make sure that we first had the PPE. I remember how desperate people were to obtain that protection equipment. We were also ensuring that we were collecting the right information to adequately quarantine people until such time as we got the vaccines. We heard from the deputy auditor general on how those vaccines were obtained. They were distributed across the country and lives were saved. Again, thank you very much to the procurement team.

I think it's fair to say that a general common thread in most of the recommendations we are hearing from the procurement ombudsman and the AG when it comes to PSPC is for you to play a greater oversight role in contracting by client departments. This is something that I believe your department accepts. We have heard testimony that you are doing so.

Generally speaking, delegating authorities to other departments and public servants is meant to make the process more efficient and reduce bottlenecks. We did hear from the Auditor General yesterday that she was especially concerned about access by smaller suppliers. We can think of indigenous suppliers to a system that may become over-regulated. Obviously, though, there needs to be accountability.

I wonder if you can speak a bit from your perspective to find the balance between oversight and efficiency, as both are obviously very important.

• (1145)

Ms. Arianne Reza: Thank you very much for the question. I think it's a super-relevant question.

I've been working at PSPC since 2016, and all through 2017 and 2018 we focused on how to simplify procurement. We came to OGGO and were able to be witnesses, and we were able to take some great recommendations that were put forward by OGGO in terms of

how to unbundle the federal procurement system to make it more accessible to Canadian SMEs.

Canada has a huge portion of its economy based on SMEs. We've spent the last five years looking at supplier diversity, at making sure that our procurement practices are inclusive and at working to figure out how to reduce barriers and how to make it less burdensome. You've probably heard ad nauseam about the e-procurement system, but imagine that every time you wanted to compete, you had to fill in paperwork and you had to show your certification and your ISO standards, which must be complete. Every time you miss putting in that certification, you're screened out. At least by having the e-procurement system, we're hoping that it will be a level playing field for SMEs to have quicker and easier access.

At the same time, I think we are struggling, based on what we've seen here as well. Do we have the right strategy to unbundle procurement? Where are we introducing risk? Where are we introducing complexity? How do we take all those considerations and create the balance to be able to deliver services?

We've heard a lot of different reports from the AG cited or spoken about recently. One that I was reviewing last night was the recent one on IT projects, and I think it's the one that was just referred to. In that context, the fundamental issue for the Government of Canada is that most of our systems are decades old. They were built in-house, not paper-based, and they have reliances. How do we move to a digital transformation to be able to deliver services to Canadians, and how do we see SMEs as part of that? These are the areas we are grappling with.

While I still have the floor, what I would also raise to the table's attention is that I believe that procurement is one spoke. The other spokes are the government's HR practices and staffing practices that should allow us to bring in people quickly with the right skill sets.

Fundamentally, as a deputy head, I really focus my attention on project management. I think that's a key piece of the equation that we need to talk about as a key part of the financial delegation. We need to talk about how the money is being spent and how things are being planned for, so that when we do procurement processes, they're actually meeting the timelines and they're properly planned, and that if you're buying something, you're not increasing through amendments the contract value exponentially.

I'll pause here. Thank you.

The Chair: Thank you very much. That is the time for Ms. Shanahan.

[*Translation*]

Mr. Lemire now has two and a half minutes.

• (1150)

Mr. Sébastien Lemire: Thank you, Mr. Chair.

My question is for Ms. Reza or Ms. Poulin.

At this point, should the policy and regulations for awarding contracts that benefit first nations be reviewed? Does the Dalian situation call into question contracts awarded to first nations? Is this a unique situation, or does it affect other areas?

[English]

Ms. Arianne Reza: Mr. Laporte can comment.

[Translation]

Mr. Dominic Laporte: Our department sees the newspaper reports and the impact of the situation. However, we must also acknowledge that this isn't our main responsibility. That responsibility falls to Indigenous Services Canada, and we're in contact with the organization. I think that the organization is keen to resolve the situation and is quite seized with the issue.

These changes can't be rushed, either. We must be careful. An unfortunate incident occurred and made headlines. However, our department isn't in charge of updating listing policies. We strive to ensure that all our government contracts incorporate the largest possible indigenous component. The department is quite proactive in this area. However, the directory isn't our responsibility.

That said, I know that our department and Indigenous Services Canada are quite seized with the issue right now.

Mr. Sébastien Lemire: It's quite fascinating. If the goal is to give contracts to indigenous companies and non-indigenous companies end up doing the work, the goal isn't being achieved.

I have a question about Canada Border Services Agency. Reading between the lines, CBSA may have insisted on excluding other suppliers. Where can we get more information on this? Have your internal investigations revealed any criminal activity at this stage that could be brought to the committee's attention?

Ms. Catherine Poulin: As I said earlier, we received reports from three organizations over the past few months. We received reports from Canada Border Services Agency, observations from the Auditor General and the report from the procurement ombudsman.

We look carefully at all the information brought to our attention. We also check for connections with other information that we may have within the department. The process is really to validate the allegations, see whether any other information supports them, and then carry out a comprehensive analysis of that information. Once we conclude that criminal activity may have taken place, we turn the case over to the Royal Canadian Mounted Police.

That said, we're concerned about the allegations brought to our attention regarding the supplier's work on its own statement of work. We may have shared our concerns in this area with the Royal Canadian Mounted Police a bit earlier than usual. Right now—

Mr. Sébastien Lemire: Can you share your concerns with the committee as well?

The Chair: Sorry, Mr. Lemire, your time is up.

[English]

Next up, we have Ms. Idlout again. You have the floor for two and a half minutes, please.

Ms. Lori Idlout: *Qujannamiik.*

I'm not entirely convinced by the deputy minister's responses regarding the uniqueness of what happened in COVID-19. There have been other world epidemics and pandemics, most recently SARS and H1N1. I think there have been recommendations that must not have been implemented to allow for such drastic failures by this Liberal government on ArriveCAN.

Second, I want to mention the continual failure of this Liberal government regarding indigenous peoples in terms of contracting as well, because, as I said earlier, the Nutrition North program is a major failure. It's supposed to help alleviate poverty, but the way that it's contracted out is another indication of whether meeting indigenous peoples' needs is actually at the forefront of this Liberal government. I point very easily to the fact that Nutrition North is supposed to alleviate poverty, but the North West Company has profited by \$119 million in one quarter, and in that same one quarter, they've received a \$61-million subsidy from the federal government.

I'll ask the Auditor General what policies and procedures are needed to strengthen contracting procedures, especially when it's supposed to alleviate things like poverty among indigenous peoples.

• (1155)

Mr. Andrew Hayes: Thank you for the question.

Just before I dig into that answer, I would signal that the member's point about the pandemic and previous experiences like SARS is indeed a matter that we raised in our pandemic preparedness report. We said that there were long-standing known issues that should have been dealt with long before this pandemic presented itself, and we hope the government has learned from those lessons.

In terms of policies for procurement to make sure that there is good service for indigenous people and for the Nutrition North program, what I would say is that this matter comes down to the departments responsible for those procurements in making sure that the requirements and services that are needed are clearly articulated in the contract documents, whether they be in the request for proposal or the ultimate contracts that are signed with those organizations.

Again, tying this to our ArriveCAN work, this is exactly why we made the recommendations that deliverables and costs be captured in documentation and included in the contracts.

The Chair: Thank you very much. That is the time.

We turning now to Mr. Genuis, who is our second-last questioner. Then we have Ms. Shanahan, and that should be a wrap.

Mr. Genuis, you have the floor for five minutes.

Mr. Garnett Genuis: Thank you, Chair.

There are so many different parts to this arrive scam scandal.

One of them is the fundamental fact that was revealed by the Auditor General's report, which is that the process was rigged: People who had been predestined by the government to get a contract sat down with government officials to determine the terms of the request for proposals, which they would then bid on. It's a rigging of the process, a predestining of the process.

We believe in free will, not predestination. We think that everyone has an opportunity, based on their decisions and actions, to access government contracting if the system is working properly, but it's no wonder that with this kind of system, outsourcing has increased 60% under these Liberals with deals that are rigged.

My first question is for Ms. Reza. Have those involved in this arrive scam rigging been identified and held accountable?

Ms. Arianne Reza: As we have both indicated, we have referred the matter to the RCMP.

Mr. Garnett Genuis: Have you identified which individuals were involved in this discussion on the government side?

Ms. Arianne Reza: Catherine, would you respond?

[*Translation*]

Ms. Catherine Poulin: Some information provided concerns suppliers, and other information relates to employees. We're currently analyzing whether the employees acted within the scope of their regular duties, or whether they deviated from the expectations set for them. This analysis is ongoing, and as soon as we have more—

[*English*]

Mr. Garnett Genuis: I'm sorry. You're saying that you're doing work to identify whether or not there was a problem. The Auditor General's report was very clear on this.

Maybe I'll just go to Mr. Hayes.

In the process of your work, were you able to identify the individuals who were responsible for this bid rigging? As well, are you aware of other instances of this practice occurring across government?

Mr. Andrew Hayes: To answer the second question first, we haven't seen other examples of this happening. However, I will say unequivocally that it shouldn't happen. Contractors should not be involved in writing the requirements for the contracts that they ultimately bid on in a competitive process.

In terms of the question about the RCMP, we did have a conversation with the RCMP in which we identified that we had information that they might be interested in. All of our files contain the information available from the departments and the analysis that we've done, so the RCMP can see from our files exactly who has been involved from our perspective.

Mr. Garnett Genuis: Okay. You do have on your files indications of which individuals were part of this rigging process, yet what we're hearing from government officials is that they're still investigating.

Ms. Reza, do you want to comment on that? If Mr. Hayes has that information, presumably you do as well.

Mr. Andrew Hayes: I might just add that we did provide some information to the committee—I believe it was on Tuesday—about where and how the company was involved in setting the requirements for the contract. I believe that....

I'll turn it back over—

• (1200)

Mr. Garnett Genuis: I'm sorry, but I am tight for time.

In the time I have left, very quickly, Ms. Reza, have other instances of this rigging of contracts occurred?

Ms. Arianne Reza: I am not aware of any, but I'll turn here, because we actually post them—

Mr. Garnett Genuis: Okay. Can you tell us that it hasn't happened in any other cases, or you're just unsure?

[*Translation*]

Ms. Catherine Poulin: As I said earlier, we have an internal investigation team. Many cases are referred to this team each year. Its investigations can cover a number of topics. I don't think that this is the first we've heard of possible supplier wrongdoing in a process. That said, given the number of investigations—

[*English*]

Mr. Garnett Genuis: Okay. I'm sorry again. It's just because of time.

It seems that you're saying that there may be other instances that are being investigated, and I think we'll need more information on that.

Chair, in the time I have left, I want to move a motion. I move as follows:

That the committee report to the House that it invites the President of the Treasury Board, Anita Anand, to appear for no less than two hours in relation to the ArriveScam study, and that this meeting occur within three weeks of this motion being adopted.

Having moved the motion, I will now speak to it—

The Chair: Just hold—

Mrs. Brenda Shanahan: I have a point of order, Chair.

The Chair: Hold on just one second. I want to consult with the clerk, Mr. Genuis, but first I'll hear the point of order from Ms. Shanahan, please.

Mrs. Brenda Shanahan: Yes, Chair. Again we're having this stunt sprung on us by Mr. Genuis—

Mr. Garnett Genuis: That's not a point of order.

Mrs. Brenda Shanahan: —and I call for a suspension of this meeting, please.

Suspend the meeting so that we can discuss and receive the motion.

The Chair: Yes. You're reading my mind.

I'm just going to consult with the clerk for a second. Hold on, please.

All right. I see hands going up.

Mr. Genuis, you'll be back, but first I'm going to suspend for five minutes. I'm going to give our witnesses a chance to stretch their legs, because they're not excused yet, unfortunately.

I'm hoping that this will go relatively quickly, but you never know with committees, so I will suspend for five minutes. Then I will come back to Mr. Genuis, and then I will proceed with the speaking list.

This meeting is suspended for five minutes.

• (1200) _____ (Pause) _____

• (1205)

The Chair: I will bring the members back to order.

Witnesses, you're welcome to float around the room as you would like. I will certainly give you a heads-up. You'll probably be able to hear it. You don't need to stay affixed to the table, but of course you're welcome to.

I have a speaking order. I'm going to go again to Mr. Genuis and then to Ms. Khalid, Ms. Kusie and Mrs. Shanahan.

First, I would like to have UC to change the name of the program in the motion so that it is "ArriveCAN". I'm not looking for discussion on this. I would just like your consent to do that. Are there any objections?

Seeing none, it is "ArriveCAN" in this motion that members are debating.

Mr. Genuis, we're back to you. You're welcome to make your rhetorical flourishes on the floor, but not in the motion that this committee will consider.

• (1210)

Mr. Garnett Genuis: Thank you, Chair.

Next time I put "ArriveScam" in a motion, I will add the appropriate trigger warning at the end of the motion.

I guess at the beginning of the motion would make more sense—

Mrs. Brenda Shanahan: Chair, on a point of order, that's not necessary. We can have respectful adult conversations—

The Chair: Ms. Shanahan—

Mr. Michael Barrett: Does she understand what a point of order is?

The Chair: Ms. Shanahan, you are on the list and we will get to you.

Mr. Genuis, you have the floor.

Mr. Garnett Genuis: Mr. Chair, I think we might need a remedial refresher on the Standing Orders and which standing orders you can invoke if you disagree with something someone is saying.

Ms. Iqra Khalid: I would love for that to happen.

The Chair: On a point of clarification, that would apply to all parties, I think, Mr. Genuis.

Mr. Garnett Genuis: Absolutely, Mr. Chair.

Anyway, I did want to speak to this motion, which is a motion about asking the minister of the Treasury Board to come before this committee to answer for what happened in the arrive scam scandal. We've heard some discussion, even at today's meeting, about this issue of ministerial accountability. Are ministers accountable? To what extent are ministers accountable for what happens in their government?

As far as I can discern, the best defence that Liberal members can muster of the government's action in the context of the arrive scam scandal is to try to convince us that ministers of the Crown do absolutely nothing, that four ministers of procurement since this pandemic started were not involved in setting policies, making decisions and giving direction as it relates to procurement.

Mrs. Brenda Shanahan: On a point of order, Chair—

The Chair: Okay.

Mrs. Brenda Shanahan: We heard yesterday from witnesses that ministers don't have anything to do with procurement.

Mr. Michael Barrett: That is not a point of order.

Mrs. Brenda Shanahan: When we hear testimony from witnesses, we need to respect it.

The Chair: Ms. Shanahan, you are down as third.

Mr. Michael Barrett: She's completely out of order.

The Chair: Ms. Shanahan, you are down to speak. This is a very valid debate. Allow me to speak to it now.

The deputy minister has come in today and, frankly, made the minister sound like he is a passenger in this voyage and not steering the ship. That is why I think the opposition is raising this issue, but it is valid.

You're welcome to debate the merits of ministerial accountability in your turn, but not as a point of order. It is not. You are third on the list. I always welcome points of order to guide me, but I ask that they be points of order.

Mr. Genuis, you have the floor again.

Mr. Garnett Genuis: Mr. Chair, this Liberal member is helpfully assisting me in precisely demonstrating the point I was making. She is saying that the minister is not actually involved in making any decisions that have relevance to the procurement process. Perhaps the title “Minister of Procurement” is purely decorative.

However, Mr. Chair, Canadians expect better. Canadians expect ministers to take responsibility for things that happen within their department. Of course, we understand that ministers aren't involved in every specific decision that happens within their department, but they're responsible for establishing the culture, setting the policy frameworks, giving broad direction and, certainly, insisting on remedial action when things are clearly starting to go off the rails, as was obviously happening for a long time in the case of the arrive scam scandal.

We've had four ministers of procurement in the last four years under these Liberals. I wonder if they should just formalize the process by designating a potted plant to be the fifth minister. A potted plant could receive briefings, could be present in the department, but would ostensibly have as much to do with actual procurement as the last four ministers have had.

Mrs. Brenda Shanahan: On a point of order again, Chair, I would go to language. I would go to the language being used to describe other members of Parliament.

The Chair: Come on, Ms. Shanahan.

Mr. Michael Barrett: Does “potted plant” offend you?

Mrs. Brenda Shanahan: It's called delegated authority. Thank you.

The Chair: Ms. Shanahan, you will be welcome to set the record—

• (1215)

Mr. Michael Barrett: Chair, on that point of order—

The Chair: Just hold on, Mr. Genuis.

Ms. Shanahan, that's not a point of order. You're interrupting. I try to avoid having members interrupt one another. We can sit here all day. No other committee is sitting today. We have infinite parliamentary resources to sit here. If you're going to interrupt, you're going to hear more from me, and we'll take away from your time.

Mr. Genuis, if you have point of order, I would like to hear it. If you don't have a point of order, I would like you to get back to your time.

Mr. Garnett Genuis: Thank you, Chair.

I don't know if there's any history of the term “potted plant” being found unparliamentary.

I will underline the point that in our system of government, the public expects ministers to take responsibility—not to be specifically involved in the minutiae of every small decision, but to be responsible for the policy direction, the culture, the frameworks, the rules and the adherence to the norms that the public expects, so if the Liberals' best defence of what happened in the arrive scam scandal is to say that the ministers don't have anything to do with

what happens inside of government, I would submit that this is also a problem. It is a problem either way.

That's to the general point around ministerial accountability. Of course, we need to hear from Minister Anand specifically in reference to an announcement she made yesterday about her work as President of the Treasury Board and the steps the government says it is taking in this regard. I think it's very clear and particular in the context of what we heard yesterday, both at committee and through the media, that hearing from Minister Anand is of particular importance.

This is why this motion was put forward today. I don't doubt that some members will not agree with some aspects of my commentary, but I hope that they won't get in the way of supporting a common-sense motion to invite the President of the Treasury Board to appear before this committee to speak about her work, the work of her department and the announcement and actions she has spoken about.

The Chair: Thank you very much, Mr. Genuis.

I will just remind members that my comments on points of order apply to all members.

Ms. Khalid, you have the floor. Go ahead, please.

Ms. Iqra Khalid: My apologies, Chair, but I thought Ms. Kusie was first.

The Chair: The hands went up, and it was a photo finish, so in the interest of fairness I decided to go.... I can move you down one if you like.

Ms. Iqra Khalid: I'd be pleased if you could. I would love to hear what Ms. Kusie has to say first.

The Chair: Okay. It's Ms. Kusie, Ms. Khalid and then Ms. Shanahan.

Ms. Kusie, it's over to you.

Mrs. Stephanie Kusie: Thank you very much, Mr. Chair.

I believe my colleague Mr. Genuis has indicated the reasons for the President of the Treasury Board to be present in front of this committee to account for not only her announcement yesterday but also for her implication in the oversight of ArriveCAN, or the arrive scam.

I would also like to get the President of the Treasury Board in front of the committee on another matter that was brought up here today by the deputy minister. As was indicated yesterday, we found out that an individual who is working with the public service has received \$8 million from the arrive scam scandal. The deputy minister today said herself that she has seen, in her oversight, the firing of five employees for failing to disclose conflicts of interest.

Mr. Chair, you may remember that LifeLabs was granted millions of dollars for COVID testing, and the President of the Treasury Board did not disclose this conflict to the Ethics Commissioner. She did disclose other things, but prior to the pandemic, as you'll be interested to know, Mr. Chair, LifeLabs, the company on whose board the husband of the President of the Treasury Board sits as a director, received only \$150,000 in contracts. It was only three contracts. During the pandemic when, I will remind the committee, the current President of the Treasury Board served as Minister of Procurement, LifeLabs received a contract for—and this number goes beyond the number we've been discussing here in arrive scam—\$66.3 million dollars on June 23.

• (1220)

Ms. Jean Yip: I have a point of order, Mr. Chair.

The Chair: I'm sorry, Ms. Kusie. I have a point of order from Ms. Yip.

Ms. Jean Yip: I'm just questioning the relevance of this.

The Chair: Thank you, Ms. Yip. Off the top, I think Ms. Kusie does have wide latitude.

Ms. Kusie, it's back to you, please.

Mrs. Stephanie Kusie: Thank you.

It's very relevant, because—

Ms. Jean Yip: This is a study on ArriveCAN.

Mrs. Stephanie Kusie: That's right—

The Chair: Just one second, Ms. Kusie.

Mrs. Stephanie Kusie: —and in this study we're discussing conflicts of interest.

The Chair: I'm sorry, Ms. Kusie. It's not my intent to cut you off. I will let you finish up.

We are now actually debating the motion before us on the Treasury Board president. You have the last word. Do you want it back again, or should I move on?

Mrs. Stephanie Kusie: I would like to continue.

I am providing another compelling reason that we need the President of the Treasury Board in front of this committee.

Ms. Iqra Khalid: On a point of order, Mr. Chair—

Mrs. Stephanie Kusie: It seems to me, Mr. Chair, that they are trying to prevent me—

The Chair: I'll hear the point of order.

Mrs. Stephanie Kusie: Go ahead, please, Mr. Chair.

The Chair: Ms. Khalid, you are next.

Ms. Iqra Khalid: I'm sorry, Mr. Chair. I was just wondering if you wanted to excuse any witnesses in the room at this point, if that's okay. I know that we've gone over time. I just wanted to make sure they were not sitting around.

The Chair: Well, Ms. Khalid, you have the last spot, so I'm ready to excuse them if you like. I can turn to government members or to you in particular: Would you like me to excuse the witnesses?

Ms. Iqra Khalid: I think it would probably be best for us to excuse the witnesses. I don't want to keep them waiting.

The Chair: Very good.

Ms. Reza and Mr. Hayes and your teams, thank you for coming in today. I appreciate it. I too am pleased that you're being excused so that you can get on with your day. Thank you very much. We'll see you all again.

Ms. Kusie, the floor is yours.

Mrs. Stephanie Kusie: Thank you very much, Mr. Chair.

I think it's unfortunate that they're being excused, because I think they would be interested and appreciative that I am actually bringing forward another rationale for the appearance of the President of the Treasury Board. It's related to the action they indicated they took today on behalf of the information we found out this week about Dalian.

As I was saying, the President of the Treasury Board did not disclose to the Ethics Commissioner that her husband was a director on LifeLabs. As I mentioned previously as well, prior to the pandemic, there was only \$150,000 in contracts, yet during the pandemic, as I was indicating before I was interrupted, on June 23, 2020, \$66.3 million was awarded to LifeLabs, but it did not stop there: On August 20 we saw an additional \$1.9 million awarded to LifeLabs.

I say to all Canadians—and I would have said to the witnesses, were they still there—is it not accurate that the President of the Treasury Board, the individual who oversees the public servants and who is supposed to be a leader, should set this standard and should be held to the same standard and ethical code that this deputy minister, whom we just dismissed, was so proud to indicate that she held five members to?

I think this is another very compelling reason, Mr. Chair, for us to have the President of the Treasury Board. In addition to the oversight of ministers, which is, as I said previously, inextricably connected to the outcomes, to the results, for which we determined that Canadians did not receive value for money, as was presented by the deputy minister here today, this is another compelling piece of information and evidence for which the President of the Treasury Board should be held accountable.

With that, Mr. Chair, I will conclude. I would encourage all committee members to support this motion for transparency, not only for the work that is done and the value of tax dollars for Canadians but also to ensure that these ministers, who are inextricably tied to their outcomes, are also held accountable to the highest of standards.

Thank you very much, Mr. Chair.

• (1225)

The Chair: Thank you very much.

Ms. Khalid, it's over to you now, please.

Ms. Iqra Khalid: Thanks very much. I appreciate you and the time that we have to talk about this very important issue.

First and foremost, I want to be very clear that I have no issues with any minister coming before this committee to answer questions. I have no issues with holding members of our government, including bureaucracy, to account for what has happened here.

I am, however, concerned about efficiency. The Conservatives have really gone on this massive fishing expedition. Unfortunately, they haven't caught any fish so far. I'm wondering what is the best—

Mr. Michael Barrett: We caught one that's about \$60 million in size.

The Chair: Mr. Barrett, would you like to be added to the speaking list?

Ms. Iqra Khalid: Mr. Barrett, would you like to be added to the speaking list?

Mr. Michael Barrett: Is there an echo in here?

The Chair: It's back to you, Ms. Khalid.

Ms. Iqra Khalid: Thank you. I appreciate that, Mr. Chair.

Mr. Barrett, there is no fish that has been caught here. The many thousands and thousands of hours that you guys have spent in trying to find something here that doesn't pass your sniff test, and the fact that you keep on calling so many committee meetings on this, tell me that you haven't really found anything.

I think what we have found and what all parliamentarians agree on is that something happened with the ArriveCAN app, and we need to make sure that bureaucrats are held responsible. We want to make sure that the money that was paid out to these middle-management folks is brought back to our government and that Canadians have accountability for how their tax dollars are spent.

What we are not finding, regardless of all of your countless efforts, is that this was a ministerial sign-off, that the Prime Minister, for some reason, signed off on this. That is not what happened here.

We've spent 6,000 hours on this so far. Let's talk about not finding anything for 6,000 hours. What are one or two more hours with the President of the Treasury Board going to do? She's going to come in and add to the 6,000-hour tally and millions of taxpayer dollars so that the Conservatives can go on sniffing and trying to find something, and they haven't found anything.

What I would appreciate is if we had public officials coming in to talk about what the next steps are, how we can get our taxpayer dollars back and how we can fix the process here. Are we able to not make everything political? I would really appreciate it if we're not just trying to find those cheap political wins in every single thing, as the Conservatives are doing. Let's actually do something productive. That's what the purpose of the public accounts committee is, Mr. Chair. I really appreciate all of your efforts in making sure that we are doing our very best to hear from all of the witnesses.

The reality is that we still don't have a game plan. We've had so many meetings and we still don't have a game plan as to what our next steps are within this committee. We can call a million and one

witnesses, but until and unless we as a committee decide how we are going to move forward, what recommendations we are going to provide to our government, and what we need to do to make sure that something like this does not happen again, why are we going on a wild goose chase?

Again, I reiterate that I have no problem with any minister appearing before the committee, but I think that it is ineffective. It is a waste of taxpayer dollars. It is a waste of all of the amazing people who are in the room right now, making sure that this meeting happens. It's unfortunate. I would hope that my colleagues agree with me.

I know that my Conservative colleagues are still going to go down this path of a witch hunt to try to find something they can take and run with. At this point, rather than having the minister come in, I think perhaps the best thing that we can do is bring back the officials of the TBS to talk about how we are going to move forward on this and about how we are going to hold people to account and make sure that this does not happen again in the future.

Therefore, I would move an amendment to say that we change "President of the Treasury Board" so that it says, "invite back officials from TBS".

• (1230)

The Chair: Wait just one second.

Ms. Khalid, I'm going to rule that the amendment is out of order because it changes the fundamental nature of the motion. You're welcome to bring that back forward—

Ms. Iqra Khalid: I'm so sorry, Mr. Chair. I would love some clarification on why you think that it's out of order.

I mean, as I said in my remarks, we still don't have a work plan. We have no idea where we're going with this. We keep having meeting after meeting. It's not just in the public accounts committee; it's in so many other committees across Parliament. I don't know how you would rule this out of order if we don't even know what the purpose of all of this is at the end of the day.

Are we trying to just find something to link to ministers to give political scoring points to our Conservative colleagues, or are we trying to get to the bottom of this? If we are trying to get to the bottom of this to find next steps and provide solid recommendations, then how is this out of order?

The Chair: It fundamentally changes the motion. You're welcome to bring it forward—

Ms. Iqra Khalid: So does that mean—

The Chair: Ms. Khalid, I allowed you to speak. Please return the courtesy.

Ms. Iqra Khalid: I apologize, Mr. Chair.

The Chair: You're welcome to bring it back if you want officials from any department either to appear or to come back. This is about calling a minister of the Crown to appear before this committee, so I'm ruling your amendment out of order.

You still have the floor, and I have two other speakers.

Mr. Tony Van Bynen (Newmarket—Aurora, Lib.): I have a point of order, Mr. Chair. Before we continue, I would like to challenge the chair's decision.

The Chair: All right. I will turn things over to the clerk to call the vote.

Just to refresh everyone, it's on the challenge that's being made.

[*Translation*]

For the Bloc Québécois, is Mr. Lemire still online to vote?

It looks like it. Thank you.

[*English*]

Just to move things along, Ms. Khalid, could you perhaps repeat in the meantime what your amendment is?

Ms. Iqra Khalid: Thank you very much, Chair. My amendment is to change the wording “the President of the Treasury Board” to “invites back officials from the Treasury Board Secretariat”.

The Chair: Thank you very much.

The clerk will now call the roll.

The Clerk of the Committee (Ms. Hilary Smyth): Shall the chair's decision be sustained?

(Ruling of the chair sustained: yeas 5; nays 5)

The Chair: My vote, obviously, is to sustain my ruling.

Ms. Khalid, you have the floor.

The motion stands as presented by Mr. Genuis, with the exception that we've corrected it to read “ArriveCAN”.

Ms. Iqra Khalid: Thank you very much, Chair. I appreciate that.

Again I am a little disappointed that we don't have a clear pathway forward. What are we doing here? We're spending so many taxpayer dollars on finding resources, and what's the objective here?

To me, in this committee, the objective is to find clear-cut recommendations in the Auditor General's report on ArriveCAN, to take what she wrote into consideration and to find a way, with all of the witnesses we have had, to put together some solid recommendations to say this is what needs to happen going forward to make sure that things like this do not happen again; this is what needs to happen to make sure we are continuing to build Canadians' trust in our democratic institutions; this is what needs to happen to make sure we are able to bring back the money that was spent on this; and this is what needs to happen to make sure we find fair value for the money that is spent going forward.

We don't have any of that, and we keep on calling witnesses. I think it was December 12 when all of us on this committee—the permanent members of this committee, none of whom are here to-

day—spent over an hour working together to find out how we could find and build a consensus and talk about accountability, talk about how we were going to move forward together specifically on this issue. The fact that since then and until now we haven't been able to find a pathway forward and to find the next steps is disappointing to me, and for us to keep on calling witnesses who have literally nothing to add to what has already been said is disappointing to me as well.

We have heard again and again from every single department on this that there was no ministerial sign-off on this, that ministers were not involved. This was a middle-management issue. There are RCMP investigations happening. What is the role of our committee, then, if all we're doing is trying to find linkages between political work and what has egregiously happened here? We can't keep doing that, Chair.

I would ask that you perhaps reconsider that the best way forward for us here is not to try to find that red herring or whatever it is that Conservatives are looking for but rather to bring us back to reasonable decision-making with respect to what the next steps are. How are we going to fix our process? That is what our committee is and should be doing, rather than going on these fishing expeditions. I would again submit to you, Chair, that I think the best thing we could do would be to bring in TBS officials to talk about those next steps, rather than a minister, who really, as we've heard time and again, had nothing at all to do with this.

I'll stop there, Chair. Hopefully, we will come back to it at a later time.

• (1235)

The Chair: Thank you very much.

Ms. Shanahan, you have the floor.

Mrs. Brenda Shanahan: Thank you very much, Chair.

I must echo the words of my colleague. We've had six, seven, eight, nine meetings on this issue, and we have consistently heard from the Auditor General's team, as well as the officials from numerous departments, that in the exercise of procurement, it is not only advisable not to have political interference; indeed, it is part of the standards of professional practice and in keeping with this separation of the machinery of government, which must continue regardless of who the government in power is, and the political side, which, rightly so, is presenting the kind of vision and policy and way forward and new legislation and so on that needs to be put forward to ensure that Canadians have a better quality of life and can enjoy the standards that Canada enjoys on so many levels.

At a time of one of the greatest crises we've had in the last hundred years, a global pandemic, this professional public service was able to procure the kind of protective equipment and the kind of administrative and management processes that were needed to protect Canadians until vaccines were developed, which, again, were obtained by this professional team. I will wager that none of us here around the table would have been able to do the same work.

• (1240)

Chair, would you agree with me? Would you have liked to be in that seat, trying to get PPE, trying to get people to develop an application and trying to develop vaccines?

No. We are politicians. We have a role. We represent our constituencies, but we are not here to run the machinery of government. That, rightly, is separate from the political arm, but to hear my Conservative colleagues speak, the political arm should be dipping its fingers into every pie, and I think we know what that would mean. We've all travelled enough and have seen other regimes in other countries to know what that means. That means favouritism, corruption and, certainly, at its most benign, an inefficient and ineffectual government.

It is really only in this issue, which we are all gripped with...the fact that there was inappropriate contracting and there were bad actors taking advantage. That is what is horrific in this case: To think that for all of the public servants who were working above and beyond the call of duty during a very difficult time, there were some bad actors who were taking advantage of that crisis to line their own pockets.

We are gripped with that, and that is the reason I and I think everyone here around the table has confidence that the investigations that are being conducted right now—not just internally and not just by the Auditor General, but also by the RCMP—will get to the truth of the matter, and that those who are responsible will be held to account. That is how we can ensure that our public service can continue to operate with integrity. It's not by picking and choosing who we want to blame and who we want to throw in jail or whatever it is, and the showboating that some politicians want to do.

When we come back to this motion, my preference would definitely be to invite back ministry officials, deputy ministers and so on, which is why, again, Chair, we had to pass a motion here earlier in the week. I'm glad for the support we had from the NDP to invite deputy ministers to these hearings, because we were not consulted at all about the number of meetings. We had an original motion that talked about two meetings, but we were not consulted about holding further meetings, about who those witnesses would be and how they were chosen, or about the length of time and when those meetings would occur.

It really has been extremely frustrating for the members here who really want to get to the bottom of what transpired and be able to produce a report out of this study that will actually be useful in enabling officials going forward—and parliamentarians, for that matter—to continue to have confidence that the oversight function will be overhauled and upheld. We heard testimony to that effect, but as we have done in the past, we will ask for a follow-up.

We have asked for action plans. I and the NDP member at the time, in the 42nd Parliament, asked for action plans to be submitted to public accounts, so that we had assurances that our recommendations were indeed being followed up on—ours and the Auditor General's. I'm not sure....

You know, I appreciate that our regular member from the NDP, Mr. Desjarlais, could not be with us during this time. I want to ex-

tend my sympathies to him and his family. I understand he's going through a difficult time right now.

• (1245)

We've had different members from the NDP here, and I'm not sure they realized yesterday, in passing the other last-minute motion by Mr. Genuis yesterday, that they were actually putting a target on the back of any and all public servants who may or may not be legitimately carrying out other contracts for the federal government.

I'm not an expert in this field, but whenever we try to make a “one rule fits all”, there are always a number of very viable and understandable exceptions to that. However, you know, Mr. Genuis was going for that hit and trying to actually, in having that reported to the House, use up time in the House of Commons with these. I believe over 6,000 hours and over 200 reports are on notice right now that can be debated on a concurrent modus.

Basically, Chair, when a report has been produced out of a committee, everybody has agreed and the report has been tabled, why all of a sudden do we want to have three hours of extended debate, essentially a filibuster, on the report, in the House of Commons? It's to waste time in the House of Commons. We know that we have important legislation. In fact, there's the pharmacare legislation. I'm so pleased that we were able to work with the NDP to put forward this pharmacare legislation. As a member in Quebec, I'm well aware of how important and life-changing having access to prescription drugs is. Now we'll be able to extend that across the country—but will we? We have 6,000 hours projected of “waste the House of Commons' time” concurrence motions on notice by the Conservative government.

I would ask for all members here to consider this: If we really want to have the minister here, why don't we just invite her? We have had ministers here before. We can just invite her. That's all right. That's something that this committee has done. We've always been respectful of the fact that ministers have many time constraints. I think it behooves us to have a motion from this committee that shows that respect.

Again, if we were discussing this as we usually do in committee—it could be in camera, it could be in public, but it would be together as a committee, during committee business—we could have come to a reasonable invitation to the minister, but no, here we are. We're over time. People have other things to do, but Mr. Genuis decided this was the ideal time to pull this stunt.

I move to amend the motion by deleting the words “and that this meeting occur within three weeks of this motion being adopted”.

• (1250)

The Chair: Thank you. That is certainly in order.

We will now debate the amendment to the motion. It would remove the three weeks.

Ms. Idlout, would you like to speak to this, or would you like to just hold on until we come back to the main motion? The floor is yours, if you'd like it.

Ms. Lori Idlout: No, I'd like to speak later.

The Chair: Okay. Thank you.

Ms. Yip, would you like to speak to this amendment or would you like to have me hold your name and come back to you once this amendment is addressed?

Ms. Jean Yip: I can speak to this. Can we put this to a vote?

The Chair: Once we're done speaking to it, we can. Are you done?

Ms. Jean Yip: Yes. Let's just put it to a vote.

The Chair: I have to go through the speakers.

Ms. Khalid, your hand was up but then it came down. Do you want to speak to this amendment or shall we proceed to a vote to remove "within three weeks"?

Mr. Michael Barrett: I think it will pass unanimously, Chair.

The Chair: I think it might.

We are not hearing from Ms. Khalid, so, Clerk, call the vote on this, please.

Ms. Shanahan, I'm afraid your amendment is defeated, as, obviously, I'm now voting to break the tie.

(Amendment negated: nays 6; yeas 5)

The Chair: I'm now returning to the speaking list.

Ms. Idlout, you have the floor on the motion that was presented to us. Go ahead, please.

Ms. Lori Idlout: *Qujannamiik, Iksivautaq.*

It is a pleasure to represent the NDP, and I share the sentiments that were shared about my colleague, Blake Desjarlais. I do wish him well during his time of grief.

I have complete faith in our whole party, what we've heard and the advice given to us by our staff, so when I'm sharing my feedback, it is because of what I've heard. Unfortunately, what I'm hearing during this debate at committee is a lot of partisanship, when we should be demanding accountability.

What I've heard from the witnesses, the officials—and I appreciate that it was based on a new motion regarding this study—is that the officials were not able to answer my questions. Inviting them back will mean that even if I repeat those questions to those same officials, they will not be answered. I understand that there were officials from the Treasury Board Secretariat. I'm pretty sure that if I ask those officials those same questions, they would not give the information that Canadians deserve. I say "that Canadians deserve" because the original intended cost of the ArriveCAN app was supposed to be about \$80,000, and to hear that, over time, \$55 million,

at the very minimum, was spent to have this app operate for the so-called protection of Canadians' health is completely unacceptable.

It was only recently that I learned that the recipients of this contract claimed to have indigenous identity and used that in this contract, so there are still a lot of unanswered questions. When I asked my questions, instead of the officials responding or accepting responsibility, they diverted that information to be answered by another department. I think, given the huge losses that this program cost, it deserves the scrutiny that it's received.

I'm not convinced by other interventions in which we've been told how many hours have been spent on this, especially when there are still lingering questions about the colossal failure of what has happened. We need to make sure that the officials aren't the final stop in seeking answers. We do need to hear from the President of the Treasury Board, because it is the president who can give us the bigger picture that we're looking for on where those miscommunications cost Canadians so many millions of dollars.

I need to say this again. Nunavummiut are suffering. With the level of poverty that exists in Nunavut, for Nunavummiut to continue to be ignored and for Nunavummiut to continue to lose profits to CEOs is completely unacceptable. We need accountability. We need answers. Because of that, I support this motion to get those answers from the President of the Treasury Board.

Qujannamiik.

• (1255)

The Chair: Thank you very much.

I'm going to go to Ms. Yip next and then Mrs. Shanahan, because Ms. Yip was on the roll call earlier.

I am seeing agreement from Mrs. Shanahan.

Ms. Yip, you have the floor.

Ms. Jean Yip: Thank you, Chair.

I agree with my colleagues on this side that the minister has already been invited to the government operations committee on the same issue, so I don't feel that there's really a need to repeat the invitation here. That would just tie up more time and more resources.

This public accounts committee has so many outstanding reports to review. In fact we have barely moved on the completion of the reports we were looking at last year. We have certainly had many, many meetings on ArriveCAN, and now the Auditor General is about to table new reports, but we haven't even completed the work we set out to do last year.

I feel it's also been clear that the part about referring the report to the House is a political tactic by the Conservatives to clog up the House, to waste time and resources, and to stop us from passing legislation that supports Canadians, such as that on pharmacare. I really don't think it's right to take all this time away, so I'd like to propose an amendment to remove the part about reporting it to the House.

Thank you.

• (1300)

The Chair: Ms. Yip, because that fundamentally changes the nature of the motion, I'm going to rule that out of order.

You're welcome, of course, to vote against it, which is effectively what your amendment is doing.

Ms. Jean Yip: I'm sorry, but I don't believe it's out of order. I'm going to challenge that.

(Ruling of the chair sustained: yeas 5; nays 5)

The Chair: The decision of the chair is sustained.

Ms. Yip, you still have the floor, or you can turn it over to your colleague, Ms. Shanahan.

Ms. Jean Yip: I guess I can't go back to it, but I want to say that we are just trying to remove something; we're not causing the motion to be out of scope.

Thank you.

The Chair: Thank you.

Ms. Khalid, you had your hand up some time ago and it's not up now. I just want to confirm whether you're speaking after Ms. Shanahan or you'd like to speak at all.

Ms. Iqra Khalid: Of course, I love speaking, Chair, and I will continue to speak. That's what my constituents sent me to Ottawa for, so, yes, I do reserve the right to speak after Ms. Shanahan.

The Chair: Very good. You'll be up after Ms. Shanahan.

Ms. Shanahan, you have the floor. Thank you.

Mrs. Brenda Shanahan: Chair, I would actually like to have some clarification on your ruling, on your decision to call Ms. Yip's amendment out of scope. Because it is simply deleting text from the motion and not taking away at all from the invitation to have the minister come before this committee, I think it is entirely within scope, so for future reference I would like to have that clarification from the clerk.

The Chair: Well, the clerk will tell you what she just told me. It has been decided by this committee.

The debate is back to the motion.

You have the floor, Ms. Shanahan.

Mrs. Brenda Shanahan: It's very unfortunate that we were not able to discuss this further because, again, the practice of this committee has been to discuss witness lists.

Indeed, I've sat on other opposition-chaired committees. It was always the practice of the opposition chair for an upcoming study to reach out to all sides for a witness list and to discuss the scope of the study and a work plan, and the witness list would indeed be proportionate to the membership around the room, although I can remember that in both the government operations and ethics committees, members were generous with the allocation of time. If a witness was deemed to be of interest to other members, regardless of who had suggested the witness, that witness would be heard. It is unfortunate that we are.... I have a feeling that it's unfortunate but deliberate to put us in this position that we have to basically be de-

fending what would be the normal respectful procedures of this committee.

We have already stated that we are gripped with—I'm going to say it in French, *ampleur*—the depth of this problem, of what happened here and how horrific it is that in trying to put together a tool that would effectively collect information in a digitized form.... We're all going to that technology. It would have been preferable if it had been developed before the pandemic, but there you have it.

We were in an emergency situation, and there were bad actors that took advantage of that time, however they did it, with the cozy contracting arrangements or fraudulent representation or whatever it was that they were engaged in during a time when people were of course physically isolated and communication was limited. This is an issue that, rightly so, we should be looking at. Indeed, the Auditor General had already signalled that ArriveCAN was of concern to her when we heard her after the first ArriveCAN report, which had to do with the actual value of the application itself. It did serve to save lives, because it did speed up and more accurately send out the information to provinces and territories regarding travellers who needed to be quarantined and so on.

You had us, Chair: We wanted to study this as well, especially when the Auditor General presented us with her report on the whole contracting process and the lack of proper documentation. We were all horrified, but apparently, that was not enough for.... Some of the members here have been subbed in and out so many times that they actually forget which committee they're speaking at. They refer to testimony that has occurred in other committees. I'm not even sure if they were right in doing so. It's a flagrant disregard for the way this committee runs.

Chair, frankly, I expected better of you in this respect. To put us in this position time and time again, where we could have very easily had this discussion in a subcommittee, although that's not normally a practice of this committee.... Normally, these discussions of witness lists and so on would be in the—

• (1305)

The Chair: Yes, Ms. Idlout. You have a point of order.

Ms. Lori Idlout: Yes. I would like it if you could ask the member to get back to the motion we're trying to debate. This is not a motion to question the process or the committee.

Could you please ask the member to get back on point?

• (1310)

The Chair: Ms. Shanahan, I am the servant of the committee. Motions come before me. I don't often have advance notice. I would ask that you come back to the question at hand.

Mrs. Brenda Shanahan: Well, Chair, I'm sorry the member feels this way, because I have enormous—

The Chair: Ms. Shanahan, so does the chair, so I'd ask you to stay focused on the question at hand.

Mrs. Brenda Shanahan: The question at hand is that this motion could have been dealt with in a consensual way in the committee, whereby we would have invited the minister. If that was the will of the committee, we could have invited the minister in the normal way, as we have done in the past. Indeed, we have had occasion to have a minister, including the minister of indigenous affairs, in front of this committee, and that was at the express request of the NDP member. I can't speak for the other side, but for this side of the committee, we were very happy to support that request and allocate that time. Indeed, it is something we would be happy to do in the future, but right now, what we have before us is a motion that is going to waste valuable committee time and valuable House of Commons time.

This reporting to the House of Commons, make no mistake, is a showboat exercise whereby we will be wasting time in the House—time that could be spent on valuable legislation, such as pharmacare—and that will hurt Canadians across the country. I think we know what the official opposition's intentions are in that regard. It doesn't want pharmacare for Canadians, so it's doing everything it can to block it.

Mr. Chair, I will finish on that.

The Chair: Thank you.

Before I turn things over to you, Ms. Khalid, I've been able to secure resources until 8:00 p.m. I've had a few members ask me on the side. Just so everyone knows, we have resources because no other committees are sitting today.

Ms. Khalid, you have the floor.

Ms. Iqra Khalid: Thank you very much, Mr. Chair.

As talented as I may be in my speaking, I doubt that any one of us wants me to go on until 8:00 p.m. with the arguments here today.

As I said before, I have no problem with the minister's coming in. If that's the will of the committee, so be it, but I'm trying to ultimately get to what our end goal is here. What are we trying to achieve as a committee? That was the nature of all the points I was trying to raise today.

Why are we doing this? What can we do to be helpful, not hurtful, to the process and to the public trust, to ensure that, going forward, the procurement process is done in a better way, that we don't see things of this bad nature happen again, and that we see people being held to account?

I am more than happy to go to a vote on this now, Chair. I'm looking forward to whatever the will of the committee is at this time.

The Chair: Thank you, Ms. Khalid.

(Motion as amended agreed to: yeas 10; nays 0 [*See Minutes of Proceedings*])

The Chair: Thank you. The motion is passed and referred to the House.

This concludes the business before this committee. We'll see one another bright and early on Tuesday, March 19. We have the lock-up with the Auditor General's team from 7:00 a.m. to 9:00 a.m. At 9:00 a.m., there will be an in camera briefing from the Auditor General of Canada on the reports that she is tabling that day. I will actually just give you the titles of those, so that you and the public have them. The three report audits will be on transportation corridors and supply chains, housing on first nation reserves, and first nations and Inuit policing programs. Those reports will be tabled at 10:00 a.m. or soon thereafter, and there will be a special meeting of this committee at 10 o'clock, where the Auditor General will publicly pronounce on those reports and take questions from members for approximately one hour.

Does it please the committee that I adjourn?

Some hon. members: Agreed.

The Chair: Very good. Have a great rest of the recess break.

Thank you, everyone.

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