

Adjournment Debate

Three British Columbia firms operating out of Vancouver bid for the contract. They were McElhanney and Associates, David H. Burnett and Associates, and Underhill and Underhill. All bid on this contract. For some reason which astounded people in British Columbia the contract was given to the Toronto firm of Marshall Macclin Monaghan.

One of the prerequisites of doing this type of work successfully is an intimate knowledge of the coastal area in which the survey is to be made. All the British Columbia firms I have mentioned have been working actively in British Columbia and in this area for nearly a quarter of a century. Underhill and Underhill were established in British Columbia in 1913. It is almost impossible to believe that a firm operating out of Toronto would have the appropriate knowledge and intimate understanding of the weather, the tides, and the topography of the area concerned to be able to take on this sizeable job and do it better than firms well established in the province and operating in the area.

On Tuesday I asked the minister:

Is it the policy of the department to award contracts whenever possible to firms operating on a regular basis in the regions where the work is required?

His reply was as follows:

Certainly, Mr. Speaker, whenever it is possible.

The decision in this case seems to have flown in the teeth of the department's own policy. Then again, there are disturbing factors surrounding the contract and the bidding. As I understand it, the three B.C. firms came in at approximately the same cost. I know that one of them bid \$277,000. The Toronto firm, strangely enough, came in at \$161,418. The Department of Energy, Mines and Resources, having agreed to accept that bid, then increased the value of the contract to \$200,000 because that was the size of its budget appropriation for this contract.

There are serious questions to be asked. The first is: how many other eastern firms bid on this contract, if any? Second, why was bidding open nationally rather than regionally? Third, why did the department raise the ante to its limit of \$200,000, thus in effect giving the Toronto firm the difference between its bid and the budget available to the department? Another question is: did the bid from the eastern firm include the cost of a ship or ships necessary for the job? There is no reason to believe that the Vancouver firms were turned down because they do not support the government party.

In a letter from a representative of Underhill and Underhill to a minister of the Crown—this is from someone who has been a strong supporter of the Liberal party for many years—the following words appear:

We are unable to understand why the federal government has awarded this contract to an Ontario firm and not utilized one of the three firms that have had survey experience in the area in question, and a direct knowledge of the weather and coastal conditions.

Something is seriously wrong here. There is no excuse for giving this contract to a firm 3,000 miles away, one which does not understand the difficulties and which seemed to come in with a bid which is incredibly low before the government itself, to make sure they had enough funds to do the job, added nearly \$40,000 to the contract price. If they came in with a bid of \$161,000 they should be held to that because that is what they said they could do the job for, and to have the government give this firm another nearly \$40,000 is just cause for worry. I could quote further from the letter that they have not taken into account the fact that they may not have as many good days as possible. To me this is really an extraordinary thing, and I hope the parliamentary secretary will answer that question.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, before I proceed to give my answer I wonder if I could obtain permission to have inserted in *Hansard* as though they were read, the bids by six companies, subdivided into area A, area A and B, and area A, B and C.

The Acting Speaker (Mrs. Morin): This can only be done by unanimous consent.

Mr. Fraser: Of course, Madam Speaker.

Mr. Knowles (Winnipeg North Centre): Agreed.

Mr. Reid: Madam Speaker, the hon. member is referring to Contract No. 05GR.23244-5-4213 which resulted from a request by the Department of Supply and Services for proposals from various possible suppliers. The request for proposals clearly stated that the proposals would be evaluated on three factors; that is the proposal itself, the firm's relevant experience, and the cost estimate. It further noted that the project authority in the Department of Energy, Mines and Resources wished to have as much of the survey work done as possible within existing financial restrictions. There were 14 firms invited, and six proposals were received.

It is at this point that I would like to have the table inserted, Madam Speaker.

[Editor's Note: The table above referred to is as follows:]

	<u>Area A</u>	<u>Area A & B</u>	<u>Area A, B & C</u>
Marshall, Macklin Monaghan Ltd. Don Mills, Ontario	91,641.00	130,615.00	161,418.00
Burnett Resource Surveys Ltd. Burnaby, B.C.	178,120.00	258,950.00	307,944.00
Canadian Engineering Survey Co. Ltd. Edmonton, Alta.	111,350.00	187,059.00	328,931.00
J.A. Smith & Associates Calgary, Alta.	224,765.70	320,388.90	388,630.50

[Mr. Fraser.]