

The policy of advertising for tenders for construction work, as required for in the present Public Works Act, is generally followed by federal departments and has served to ensure that all members of the public have an equal opportunity in tendering on public works. This fact, together with public tender openings or the publicizing of the names of all bidders and their respective tender amounts, has served to increase the number of contractors bidding on these jobs and has given the government and the public the benefit of greater competition. It has also served to counteract adverse publicity concerning methods followed in the awarding of federal contracts.

The Canadian Construction Association, representing all phases of the construction industry throughout Canada, has adopted a continuing statement of policy at its annual meetings advocating "the calling of competitive tenders of all construction work involving public funds and the public advertisement and opening of these tenders except with regard to work in the 'secret category'". This principle was again endorsed by the C.C.A. Management Committee at a meeting in Toronto on November 13th.

This association therefore strongly recommends to the Public Accounts Committee that the terms concerning the size or nature of public works for which tenders do not have to be publicly invited should not be included in the regulations to be set up with regard to section 39 of bill No. 25 but that they be directly specified in section 36 of bill No. 26. It is felt that such a procedure will not serve to restrict the actions of ministers in negotiating contracts where conditions warrant this practice, but will rather serve to support their actions. It is suggested therefore, that in addition to the exceptions listed in section 36(a) and (b) in bill No. 26, reference should be made to the fact that tenders need not be publicly invited for work in the secret, repair, etc., categories. Then a further exception could be added stating that if the estimated cost of a project is below a certain amount, the minister may decide it advisable not to invite tenders. It is submitted, however, that the place for these provisions is in the Public Works Act rather than in the regulations pertaining to the Financial Administration Act.

Of course, I do not think that this pertains much to the work of our committee because the item we are passing on is article 39 and we are not dealing with the regulations themselves. But in all fairness I thought I was bound to put the letter from the association before the committee. I think it should be transferred to whatever authority will look into bill 26 as well as to the officials who will be drafting the regulations concerning item 39.

Mr. SINCLAIR: The regulations with regard to section 39 are only for security.

Hon. Mr. ABBOTT: And specify the size limits as to contracts which require approval by the Governor in Council or the Treasury Board.

The CHAIRMAN: Shall article 39 carry? It had been left in abeyance only on account of the request which we received from the Canadian Construction Association.

Mr. FRASER: Wait, now, Mr. Chairman. On this section 39, what limit can be put on there? Can there be any limit at all, or is there any limit?—"in excess of such amount or amounts as the Governor in Council may prescribe . . ."

The CHAIRMAN: I think it would be up to the officials who are here to answer that.

Hon. Mr. ABBOTT: Mr. Bryce is familiar with the detail there.