

1. The Interprovincial Equipment Company Contract.

In connection with this transaction, it was alleged that there was political favoritism and unsound business practice. The grounds for such criticism were stated to be:

- (a) The Directors were Insurance men, not manufacturers.
- (b) One of the Directors was the former President of a West-Ottawa political Association.
- (c) The Company had no manufacturing plant.
- (d) The tender of the Interprovincial Equipment Company was one cent lower than that of the next lowest bidder. The article contains the following words:
"It would be interesting to know whether it was mere chance that the lowest tender was one cent lower than that of the next tenderer".

The facts are that the Department required 12,300 practice bombs for the Air Force.

The advertisements were published in 38 newspapers scattered from Halifax to Victoria calling for sealed tenders to be submitted by noon, May 31st, 1939, to the Director of Contracts of the Department.

Tenders were received from 29 firms. Records of the Department show that a substantial number of the tenders was received between 11.30 a.m. and 12.m., that is, during the last half hour during which the tenders were admissible.

The tenders were opened by two permanent officials of the Department, each from a different branch. Each envelope and each tender was stamped with a mechanical time stamp, showing the precise moment at which it was opened. Each envelope and each tender was initialled by both officials. A tabulation of the tenders was made on a special form provided for that purpose and the tabulation was signed by both officials.

The several firms tendering used four different methods of bidding.

Some quoted the price per bomb without including sales tax.

Others gave the price per bomb with sales tax included.

A third group gave an aggregate price for 12,300 bombs without including sales tax.

A fourth group gave an aggregate price with the sales tax included.

It is obvious, therefore, that nobody could tell from the tenders as they at first appeared which was the lowest. Before this could be done, it was necessary to reduce them all to a common basis.

Any suggestion, therefore, that one of the bidders could have been furnished with information about the other bids which would enable him to make an offer lower than his competitors is rendered impossible by the mere mechanics of the procedure, all of which is completely documented and signed by the officials concerned.