

*Public Tendering*

district offices. There will be two general exceptions to this rule: (1) confidential requirements particularly in the field of defence, and (2) cases where the tenders cover a multiplicity of items and destinations. Let me explain the latter exception, the intent of which is to avoid possible misinformation rather than to avoid public disclosure. Certain of our requirements are for multi-items going to multi-destinations; for example, 250 different types of spares to be delivered to 14 different locations. Tenderers are permitted to quote on portions of these requirements either in terms of numbers of items and/or numbers of locations. The simple reading out of a single figure at the end of a column in my judgment would do more to confuse than enlighten a tenderer. In addition, the reading out of all possibilities would be, to put it mildly, exceedingly time consuming and therefore costly for all concerned. I am exploring this particular area further to determine the means by which this kind of information could be made available at the same time of tender opening.

The threshold of \$10,000 for public opening, which, by the way, compares favourably with other jurisdictions, has been chosen because it was felt that this amount was sufficient to interest suppliers in travelling to the tender opening location. In any event, for tenders whose anticipated value is likely to be under \$10,000, the present highly secure system which has stood the test of time for upwards of 30 years will continue with as many improvements as we can make to it. Further, hon. members should know that the introduction of a generalized system for public openings will increase government costs due to the need for additional personnel and facilities to perform this new task. The amount of this increase depends directly on the threshold selected and therefore the number of tenders falling within this new policy. We have, therefore, tried to select a figure which in my judgment takes economy and efficiency as well as increased visibility into consideration.

I want to assure hon. members that I will be constantly reviewing this matter to determine whether this figure and our new practices should be modified in the light of experience.

I have a brief outline of the procedures which we will use regarding the receipt, handling and opening of tenders, and I would ask for the unanimous consent of the House to table this document.

**Mr. Speaker:** Is it agreed?

**Some hon. Members:** Agreed.

**Hon. W. G. Dinsdale (Brandon-Souris):** Mr. Speaker, the minister was good enough to supply me with a copy of the statement he has made today. As I ran through my copy I made a mental note to underline the final sentence of the first paragraph which states: "But there is always room for improvement". Having listened to the minister and having examined the statement I think I can conclude that the keynote of my response this afternoon must be that there is much room for improvement.

The Department of Supply and Services was established some four years ago. It was brought into being by the Government Organization Act of 1969. It was a response to one of the recommendations of the Glassco Royal Commis-

[Mr. Goyer.]

sion. The main purpose of the department was to bring about efficiency, economy and decentralization in government purchasing. I think it is fair for those of us who have been following the department closely over the past few months to conclude that the department has failed to achieve any of these objectives. This is demonstrated by an examination of the figures of the annual departmental budget. Its efficiency is still to be proven. Administrative costs, as is the case with all government departments, are still going onward and upward. Indeed, the minister in his statement today indicated that the introduction of public opening of tenders will require more public servants in his department. Certainly little has been done to disperse government purchases across the country.

We in the opposition have pursued this subject for some months now both in committee and in the House of Commons. The hon. member for York-Simcoe (Mr. Stevens) has been diligent in his questioning of the minister on the subject. In response to a question last May the minister declared it was his belief that the opening of tenders other than in public was illegal on the part of the government. It has required all these months to persuade the government to come to a legal position in its handling of the vast expenditures of public funds which now amount to more than \$1.2 billion annually.

I should like to refer to the exceptions outlined by the minister in his statement. He points out that price is not necessarily the only criterion. In this regard I remind him I am fully aware of what has taken place with regard to the awarding of contracts in the very sophisticated area of the provision of machinery for mechanization of the postal service. I have been pursuing questions on this subject. It is obvious that price is not the sole criterion there. We will be continuing our interest in that subject in the days that lie ahead.

There is also reference to defence requirements as an exception to the principle of public opening of tenders. I remind the minister and members of the government it is in this area that the biggest scandals have arisen in government purchasing and contracting. There have been too many Come-By-Chance *Bonaventure* episodes. We will have to leave this subject in the capable hands of the members of the Public Accounts Committee and its chairman, the hon. member for Wellington (Mr. Hales).

I notice that the threshold price has been set at \$10,000. In view of the minister's declaration that the non-public opening of tenders is an illegal act, I wonder why it is legal below \$10,000 and not legal above \$10,000. Perhaps this is a subject we can pursue at a later date as well.

● (1430)

The minister did not indicate whether public relations contracts with public relations firms would be awarded at a public opening of tenders, nor did he indicate whether architects' fees would be covered by this principle. Indeed, the principle the minister has enunciated of giving greater visibility to the department's methods of carrying on business I am afraid will not be achieved by what we have heard in the minister's statement today. It is more like the iceberg approach to the problem. I can assure him that all hon. members on this side of the House will be following his admonition that the practices of this department will