

Paragraph 198. Additional cost attributed to unavailability of construction material.

In July 1966 the Department of Transport entered into a contract for the construction of two piers for range lights on Lake St. Peter in the St. Lawrence River for \$343,000 and for additional work of \$37,000 which brought the amount payable under the contract to \$380,000.

The Department had agreed to supply the contractor with the timber piles for the work which could only be obtained in British Columbia and because of a railroad strike the timber for the second pier arrived approximately two weeks late which necessitated in the contractor's equipment lying idle, an uneconomic use of manpower and because of the lateness of the season the deteriorating weather conditions required extended use of equipment and manpower.

Because of a claim by the contractor for extra costs incurred by suspension of the work because of delayed delivery of the timber which was settled by the Department, the total cost of the two piers was \$97,000 more than the original contract; final cost was \$477,000.

Your Committee is of the opinion that this is once again a matter of the Crown being the victim of circumstances beyond its control. Your Committee recommends that Departments, wherever possible, include an escape clause to protect the Crown from such eventualities.

The Committee questions the advisability of the Crown undertaking to supply materials.

Paragraph 199. Custom made electronic tubes not required.

This was a relatively simple transaction for the purchase of 30 electronic tubes which were available to the Department at a price of \$1.33 each but because of a clerical error on the order form the description of the tube number was incorrect and 30 tubes costing \$403 each were ordered at a cost of approximately \$12,000.

As the Department were unable to return the tubes and no other use for them was available, the amount of \$12,000 was written off as a loss.

The Department of Transport officials admit that although this error which constitutes a minute percentage of their total purchases, was however an error that should have been avoided (See Issue No. 17, Appendix G), and that procedures within the Department were changed so that all tenders for supply items purchased by the Department (including electronic parts) are routed through the Supply Division for verification of number identification.

DEPARTMENT OF PUBLIC WORKS

Paragraph 170. Real property inventory.

This paragraph deals with the progress the Department of Public Works is making in the establishment, maintenance and build-up of a real property inventory, so that there will be a complete record of all the buildings and real estate owned by the federal government.

This is a task of first magnitude as it also includes identifying the land and giving a description of what is there, a record of the financial transactions which created the property and a description of the facility that is on it.

The Department officials report that the actual total property has gone from 6,000 property items in the first print-out in 1968 to a print-out in 1969 that will have in excess of 12,000 property items.