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Chair

The Honourable Shawn Murphy

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• (1540)

[English]

The Chair (Hon. Shawn Murphy (Charlottetown, Lib.)): I call the meeting to order and extend to everyone here a very warm welcome. This is the second meeting on chapter 5, “Relocating Members of the Canadian Forces, RCMP and Federal Public Service”, of the November 2006 report of the Auditor General of Canada.

With us today, we don't have the auditor, but we have from her office, Ronnie Campbell, the assistant auditor general. He's accompanied by Bruce Sloan, principal.

From Public Works and Government Services Canada, we have back with us, Ian Bennett, the acting assistant deputy minister, acquisitions. With him is Richard Goodfellow, manager, project delivery services division, and Ellen Stensholt, senior general counsel, legal services.

We also have a representative from Envoy Relocation Services Inc., Mr. Bruce Atyeo. Welcome, Mr. Atyeo. And from Royal Lepage relocation services we have Mr. Raymond Bélair. I want to welcome each and every one of you.

Mr. Williams has a point of order.

Mr. John Williams (Edmonton—St. Albert, CPC): Thank you, Mr. Chairman.

I'm certainly pleased to welcome our guests here this afternoon. As I mentioned last week, we are a committee of Parliament, and Parliament is an institution of accountability, not management. I have some concerns about our asking questions and having witnesses today from Envoy Relocation or Royal Lepage. We know absolutely nothing about their participation in this contract. We only have the report of the Auditor General on the government side.

On the other thing that concerns me, I understand that a lawsuit has already been filed. If that is the case, I'm trying to figure out why on earth we are getting ourselves into the middle of this.

You will recall the need for us to be independent of government and the courts. Not only do we have a longstanding tradition of never getting involved in issues when there are legal proceedings ongoing, but I also draw your attention to the time when Mr. Justice Gomery wanted to get transcripts of the public accounts committee hearings in the past and was denied. We certainly wouldn't want answers here by Envoy and Royal Lepage to be drawn into a court proceedings, and so on.

I move that we not hear from Envoy and Royal Lepage today because I think it's quite inappropriate.

The Chair: As I indicated to you last week, this perhaps would not be my recommended course of action. I think I made that clear to the committee. However, the committee voted on a motion, and it was passed, to call both Mr. Bélair and Mr. Atyeo to the committee. That is the reason why they're here.

At the last meeting I went through a caution to the members on the line of questioning. I agree with your line of reasoning. This committee is not normally mandated to investigate outside private contractors. Our mandate is the accountability of government operations; the principles of prudence, property, economy, and efficiency within government, not outside of government. We don't normally investigate private contractors.

But again, that was a motion put to the committee. It was debated. It was passed. They're here. I think it would be improper now to move another motion to have them dismissed.

Mr. Christopherson.

• (1545)

Mr. David Christopherson (Hamilton Centre, NDP): Before we begin, could I ask why we don't have representatives from the Department of National Defence and Treasury Board again?

The Chair: I'd prefer to deal with this issue first, Mr. Christopherson.

Mr. David Christopherson: I thought you ruled on it. When you're done we can do that one.

The Chair: Okay.

Mr. Williams.

Mr. John Williams: Thank you, Mr. Chair.

Notwithstanding any inconvenience of the witnesses in being here, I still think it's inappropriate that we hear from them. Therefore, would a motion to reconsider our invitation be in order?

The Chair: The committee can always rescind its own decision, which was made two weeks ago. You're moving that the committee not hear from Mr. Atyeo and Mr. Bélair. I think that's your motion.

Mr. John Williams: That is correct—as representatives of Envoy Relocation Services, Inc. and Royal Lepage.

The Chair: The motion has been presented. We had a lengthy debate on this, Mr. Williams. I don't believe you were at the meeting. Are there any other comments on the motion?

Would you like to comment, Monsieur Laforest?

[Translation]

Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ): Mr. Chairman, I do not see why we should come back to that. A motion was tabled to invite and hear witnesses, to give the committee all the information it needs to understand the situation that the Auditor reported to us in response to a request from the Standing Committee on Public Accounts.

So I do not see why we should now go back on a decision made democratically by the majority of the committee. This situation is difficult.

[English]

The Chair: Go ahead, Mr. Christopherson. I'd ask members to keep their comments brief.

Mr. David Christopherson: It's a question. Does this require someone who voted in the majority last time, since it's a motion of reconsideration?

The Chair: You're above my head here, Mr. Christopherson.

Mr. David Christopherson: I know.

Under some rules, it requires someone who voted in the majority to actually be in order to place a motion to reconsider a previous motion.

The Chair: No, that's not—

Mr. David Christopherson: Okay, then we should just stay the course.

The Chair: I'd like to put the question, if I may. This will be a recorded vote on Mr. Williams' motion to exclude Mr. Bélair from Royal LePage and Mr. Atyeo from Envoy Relocation Services.

Mr. Marcel Proulx (Hull—Aylmer, Lib.): On the same point of order that Mr. Williams had a while ago, have we had legal representations for these witnesses not to appear here today, or are we just dealing with Mr. Williams' change of mind? Well, it is not a change of mind, because he had been against it.

The Chair: We have no legal representation; the committee is the master of its own proceedings.

(Motion negatived: nays 6; yeas 5)

● (1550)

The Chair: I'm going to continue on with a few opening remarks.

Mr. David Christopherson: I have a point of order, Mr. Chair.

The Chair: Go ahead, Mr. Christopherson.

Mr. David Christopherson: Thank you, Mr. Chair.

May I ask why we don't have representatives here from Treasury Board and the armed forces, as we did at our last meeting?

The Chair: We have the two additional witnesses, Mr. Christopherson. We do our witness list from the recommendations of the Office of the Auditor General, and they weren't asked back.

Mr. David Christopherson: I'm sorry, Mr. Chair, but many of the questions we had are related to Treasury Board's responsibility for oversight, and some of it has to do with the armed forces providing information. Those are critical. I just can't imagine that somebody has decided bureaucratically that they are no longer required here. I certainly have questions that I expected to be able to get answers to. In fact, there was at least one question pointedly put to the rear admiral, and he committed to being here and providing either an answer or a legal reason why he wouldn't give the answer, and we hadn't even begun to get at Treasury Board yet.

The Chair: It's just the way we do it, Mr. Christopherson, in conjunction with the Office of the Auditor General. They go over the witness list. They're not here.

We can always come back; there's nothing to stop the committee from coming back. We do have some other issues. Monsieur Laforest has an issue with the deputy minister that he graciously agreed to put off until the end of this meeting, and it wouldn't surprise me if we come back for maybe not a full meeting but a partial meeting.

Mr. David Christopherson: I hope so.

The Chair: It's entirely up to the committee.

I'm going to make a few other comments. I'm going to repeat the caution I made last week. We have with us two representatives from private competitors, one successful, one unsuccessful. Again I repeat, colleagues, that it's not our job to monitor the activities of the private sector. We're a committee of accountability to deal with government operations and whether taxpayers' money was spent wisely, prudently, economically, and efficiently. The chair will be watching the questions very carefully.

Go ahead, Mr. Williams.

Mr. John Williams: Mr. Chair, perhaps you should also advise the witnesses that they're deemed to be under oath and the testimony given here cannot be used—and I emphasize cannot be used—in a court of law.

The Chair: That's in my remarks, Mr. Williams. Thank you for reminding me.

Again, the chair will be monitoring the questions. Of course, the witnesses are deemed to be under oath.

Again, anything that's said in Parliament or in a parliamentary committee cannot subsequently be used in a court of law. I want to remind each and every member of that.

Colleagues, we have tabled the minutes of the steering committee, which was held earlier today, with the committee. We have two motions dealing with the leaks, and we have the internal inquiry, which is related to this and is being tabled by the Department of Public Works and Government Services.

Pursuant to the provisions of the Privacy Act, they asked that it be in camera, so for the last half-hour of this meeting, I'm going to go in camera to deal with all those issues.

Having said that, I don't believe there are any additional opening remarks from the witnesses, and I have concluded my opening remarks. So at this point in time, I will move to the witness list.

I stand corrected. I believe Mr. Bélair and Mr. Atyeo have opening remarks.

I haven't read them, but again, Mr. Atyeo and Mr. Bélair, all we're interested in at this committee are the operations of the government. We're not a committee of retribution nor a committee of adjudication of private interests. We're a committee of government accountability, so I would ask that you confine your remarks to government operations only.

Mr. Bélair.

Mr. Raymond Bélair (Royal LePage): I would like to begin by thanking the chair and the committee for your invitation to appear here this afternoon.

[Translation]

My name is Raymond Bélair and I am the Vice-President and General Manager of the Royal LePage Relocation Services. Our company has over 40 years of experience in the relocation business, and is Canada's largest relocation company. I am joined today by Graham Badun, President and CEO.

We currently employ approximately 450 Canadians, and administer approximately 10,000 to 15,000 government relocations and 5,000 corporate relocations each year. I personally have been in the relocation business for more than 25 years. RLRS is responsible for service delivery under the IRP contracts we have bid on successfully in 1999, 2002 and 2004.

● (1555)

[English]

This work involves two contracts for relocation services: one for the Government of Canada and the RCMP valued at \$29 million, and one for National Defence valued at \$125 million, both of which are over five years. It's important to note that this does not include flow-through costs, such as commissions for realtors, lawyers' fees, and property management. It represents only an administration fee per file, the only revenue RLRS receives under the IRP.

I would like to use my opening statement to clear up some issues that have been raised over the past week. With respect to property management, let me be very clear here. RLRS does not provide property management services. These services are provided under the IRP by property management companies in the marketplace, none of which are affiliated in any way with RLRS or its parent company. Property management fees are charged directly to transferees and reimbursed from their personalized envelopes. I will examine that more in a moment.

Royal LePage Relocation Services does not receive these payments, commissions, fees, or any other charges for these services. Further, RLRS does not make any money from administering property management services. In fact, we are specifically prohibited from receiving any moneys or revenues under the IRP, aside from our administration fees. Our role is to provide relocating members with information on relocation planning, marketing assistance, counselling, and reimbursement of allowable expenses

as described in the client department's relocation policies. However, we listened to the committee's deliberations and we read the Auditor General's report, and we wish to take this opportunity to respond to the question that has been raised on this issue.

To understand property management, however, it's important first to understand how the IRP works. The IRP has what is called the core funding. This is a fund that covers administration fees and most flow-through costs. There is also a personalized envelope, which is a fixed formula that is paid to every transferee and is essentially based on salary. This envelope can be used by the transferees in any way they choose, either to move, for a move-related service, or for their own personal use. It is important to stress here that no matter how this money is used by the transferee, the expenditure to the Crown is the same.

Property management fees are paid from this personalized envelope. What this means is that no matter what rate a bidder includes in its proposal for property management services, it would have zero impact on the Crown's total expenditures. This is not a question of inside information or competitive advantage to the incumbent. Property management is described in the IRP, in the IRP policy, and in the contract, and in every case it is clear.

Quoting from section 12.6 of the RFP on page 90: "That Property Management Fees are a Personalized Benefit and are claimable only from the Personalized funds." Every bidder had this information, so when RLRS prepared its bid for the IRP contract, we bid zero dollars for the service, and since it had zero impact on the Crown's total expenditure, any bidder could have—in fact, every bidder should have—bid zero. The Auditor General states in her report that she feels RLRS has overcharged for these services. On this point we respectfully disagree.

Since we've administered this contract, we have charged the Crown zero for these services. We have managed these services as stipulated by the RFP, the policy, and the contract, as a personalized benefit to the transferee from the personalized envelope.

● (1600)

The Chair: [Inaudible—Editor]—and we are well past that.

I'm just going to go right now to Mr. Atyeo.

Mr. John Williams: Can we have that attached to the record of the minutes, Mr. Chair?

The Chair: Yes, definitely.

Mr. Atyeo, you have five minutes or less, please.

Mr. Bruce Atyeo (President, ENVOY Relocation Services Inc.): Mr. Chairman, I'll try to stick to the five minutes.

Mr. Chairman, members of the committee, my name is Bruce Atyeo, president of Envoy Relocation Services.

As you can imagine, I have followed these proceedings with great interest. Last Tuesday, I listened via the webcast, and on Thursday I was here in person. I can't tell you how grateful I am to finally have an opportunity to discuss this matter with a group of government officials who obviously get it, and who at the same time have an interest in getting to the bottom of this scandal—and it is a scandal.

Based on your discussion last Thursday, I'm even more grateful today, knowing that it is unusual for a member of the private sector to be given this privilege. I assure you that I will restrict my remarks to your business.

This process started on April 11, 2005, when I first wrote to the chairman of the public accounts committee, who at the time was Mr. Williams, requesting that this issue be sent to the Auditor General for review.

Here we are today with the results of that review, confirming what Envoy has always contended: that these contracts were not awarded fairly.

At the risk of minimizing the excellent efforts of the Auditor General and her team, I think they—and now this committee—would agree that just about anyone looking at these events objectively would very quickly come to the same conclusion.

Unfortunately, it falls to me to tell you that what you have seen and heard so far is just the tip of the iceberg. The Auditor General and her team have done an excellent job of exposing serious flaws in the 2004 bidding process, as well as many of the contract management practices. You've been wrestling with these findings over the course of two meetings already. There is much more you should know.

On Thursday, you witnessed the same kinds of blank stares and non-answers that we, Envoy, have experienced from just about everyone, both bureaucrat and politician, over the past four years. However, today I will provide you with further insight into some of the mismanagement and the stonewalling that we experienced in both the bidding processes and contract management issues over the past four-plus years. This includes real answers to your questions, backed up with real data, information, and guidance.

If we were to level the playing field between Royal LePage and Envoy to the tune of \$48.7 million, as suggested by the Auditor General, and take into consideration the 24 points awarded to Envoy by the CITT decision, Envoy won the CF contract, in spite of the biased method of the selection formula. In fact, it was so biased that in spite of being 94% compliant and almost \$60 million lower in price, we're just barely able to squeak out a win because of that biased formula. However, we won the competition, and we expect to be awarded the contract.

As a bidder who has incurred considerable cost and wasted much time, during both the bidding process and subsequently in fighting for justice for our company, I look forward to providing you with real answers. There are individuals within the client departments, as well as within Public Works, who need to be sanctioned for serious mismanagement practices.

The contracts with Royal LePage need to be cancelled because there is evidence that those contracts have been breached in more ways than one. The contract should be awarded to the rightful winner.

You have my undivided attention for as long as you need it.

Thank you very much.

• (1605)

The Chair: Thank you very much, Mr. Atyeo.

Thank you very much, Mr. Blair.

Before I turn it over to Monsieur Proulx, I want to urge the members to keep their questions short and relevant. Also, witnesses, please keep your answers brief, focused, and to the point.

Mr. Proulx, for eight minutes.

Mr. Marcel Proulx: Thank you, Mr. Chair.

It's going to be very difficult to keep it brief. Most of us have spent all or at least a major part of the weekend trying to understand all of this. Then this morning we ended up with additional reading material at the last minute. But so be it.

[Translation]

Mr. Bélair, we know that your company had been awarded the pilot project, the first contract that we will call “contract No. 1” in 1999. In 2002, the contract that we will call “contract No. 2” was awarded to you. Following that, there were things like cruises, golf parties, all kinds of circumstances that made the government decide to annul contract No. 2 and put out a new invitation to tender.

Did your company have anything to do, directly or indirectly, with these cruises, golf parties or other advantages?

Mr. Raymond Bélair: Yes.

Mr. Marcel Proulx: In what way was your company involved? Let me explain. I am not trying to crucify you, Mr. Bélair. I am trying to understand what happened internally, not in your company, but within the Department of Public Works and Government Services. Did anything happen to give the impression that there were irregularities in the methods used for evaluating the bids or awarding contract No. 2 in 2002?

Mr. Raymond Bélair: To our knowledge, the government looked into this issue and concluded that there was no conflict of interest. There was a perceived conflict of interest. A group went on personal holidays, and they paid through a local travel agent who organized the group excursion. Each one paid his own way. These were personal holidays that I took with my spouse.

Mr. Marcel Proulx: It is not because of your holidays with your spouse that the department decided to cancel the invitation to tender. Someone else must have been there too.

Mr. Raymond Bélair: There was—

Mr. Marcel Proulx: Perhaps someone else may have travelled with us by coincidence, thus creating a perception?

Mr. Raymond Bélair: Among the members of the group, there was someone from the Department of Public Works and Government Services.

Mr. Marcel Proulx: The presence of this person was enough for the government to withdraw its invitation to tender.

Mr. Raymond Bélair: An investigation was carried out, and the government concluded that there was no conflict of interest, but that there was only a perceived conflict of interest.

Mr. Marcel Proulx: Thank you.

[English]

Mr. Bennett, at our last meeting we discussed this investigation. Your original answer to my question was that there had not been a police investigation or that the investigation had not been referred to a police force. Then later on during the meeting you advised us you had been advised that, yes, the investigation had been referred to a police force. Is that right?

Mr. Ian Bennett (Acting Assistant Deputy Minister, Acquisitions, Public Works and Government Services Canada): What I said, Mr. Chair, was that the RCMP was apprised of this investigation. The conclusion was that there was no criminal wrongdoing.

Mr. Marcel Proulx: We had asked you then to table with the committee the results or the minutes of that particular investigation. I understand you have tabled this with the committee and the committee will have access to this later on today.

Mr. Ian Bennett: Yes, Mr. Chair, that is correct.

[Translation]

Mr. Marcel Proulx: Mr. Bélair, when contract No. 2 was annulled and an invitation to tender was put out for contract No. 3, for which you made a bid, were the criteria used for evaluating the submissions the same as those used for contract No. 2?

• (1610)

Mr. Raymond Bélair: Not at all.

Mr. Marcel Proulx: Not at all in the sense that there was a great deal of—it cannot be entirely different because the same needs are involved whether it be for the RCMP, National Defence or the government.

Mr. Raymond Bélair: The thing that changed, Mr. Proulx, is the way in which the evaluation of the bid would be made; it was reviewed. The content did not necessarily change, what changed was the way in which the respondents could respond and in which they would be judged or evaluated.

Mr. Marcel Proulx: Mr. Bélair, were these changes enough for your company to change its way of presenting a bid?

Mr. Raymond Bélair: Of course. It was awful, we had to build everything up again from scratch.

[English]

Mr. Marcel Proulx: Mr. Atyeo, you've probably heard the translation of what Mr. Bélair just said about RFPs between the second contract in June 2002 and the other one in 2003.

Do you agree with him that the criteria used were different?

Mr. Bruce Atyeo: No. I'm not sure specifically what he was referring to, although I was struggling to hear the answer through translation.

Mr. Marcel Proulx: Your company tabled a bid on contract two in 2002. It had been won by Royal LePage. It was cancelled and then they returned to another RFP. Right?

Mr. Bruce Atyeo: Correct.

Mr. Marcel Proulx: Did you bid on the third contract in 2003?

Mr. Bruce Atyeo: Yes, we did.

Mr. Marcel Proulx: Was the process very different? Was the information very different? Was it necessary for your company to restart the process within your walls to bid on the contract of 2003, in comparison to the one you bid on in 2002?

Mr. Bruce Atyeo: Fundamentally, as far as the services to be delivered were concerned, no. The major difference between the contracts of 2002 and 2004 was the inclusion in the RFP of a number of security-based requirements that had come into force, presumably as a result of 9/11.

Mr. Marcel Proulx: Am I understanding that as far as you are concerned, you could have been using almost the identical dollar figures from the one in 2002 again in 2003, plus a change for these additional security measures, sir?

Mr. Bruce Atyeo: Correct.

Mr. Marcel Proulx: Okay.

Mr. Atyeo, there have been all kinds of allegations. Let me ask you two questions.

Were you involved in any of the leaks that came from the Auditor General's report or the preparation of the report?

Mr. Bruce Atyeo: No, sir, I was not.

Mr. Marcel Proulx: Okay.

The information you provided to the committee in 2005 included a briefing note that was prepared for the Canadian Real Estate Association's political action committee. Am I to understand that the Canadian Real Estate Association supports the views in that particular briefing?

Mr. Bruce Atyeo: No.

Mr. Marcel Proulx: Thank you.

The Chair: Merci beaucoup, Monsieur Proulx.

Monsieur Laforest.

[Translation]

Mr. Jean-Yves Laforest: Thank you, Mr. Chairman.

Good afternoon and welcome.

Mr. Atyeo, you said that at the time you sent a letter to the chair of the Standing Committee on Public Accounts. The process was launched in April 2005 and then, the committee tabled a notice of motion to advise Ms. Fraser, the Auditor General, of the issue that you are raising. This motion was adopted six and a half months later, on November 17.

You must have had some questions about this. A notice of motion had been tabled and nothing was happening. Did you intervene any further?

• (1615)

[English]

Mr. Bruce Atyeo: I believe I did subsequently write a letter to the chair of the committee, bringing it back to his attention. We were initially under the impression that the motion would be passed within a matter of weeks. My understanding is that there was a substantial lobbying effort of members of the committee by Royal LePage, which slowed the process down. It took an incredible amount of time.

[Translation]

Mr. Jean-Yves Laforest: You said that Royal LePage made efforts to stall the process. What kind of pressure did they apply?

[English]

Mr. Bruce Atyeo: I can't say specifically. I have been advised by my own advisers that Royal LePage did hire a lobbyist, who I assume approached all the members of the committee to lobby them to not vote in favour of the motion to have this matter referred to the Auditor General.

[Translation]

Mr. Jean-Yves Laforest: Mr. Chairman, we were reminded earlier that the process should be evaluated from the perspective of public accounts. The committee ensured that the issue was brought to the attention of the Auditor General, following a letter. There was a delay that could raise a few questions.

I want to put a question to Mr. Bélair.

Mr. Atyeo just told us that the Royal LePage lobbyists intervened at that time. We know that between April 11, the date of the letter, and the date when the committee adopted a motion asking for the Auditor General to intervene, Ms. Sandra Buckler registered as a lobbyist with your company. Here we have a document that shows that you were in charge of this for Royal LePage.

She was involved in lobbying while you had the contract. She lobbied with Foreign Affairs and International Trade, the Canadian Armed Forces, the Royal Canadian Mounted Police, the House of Commons and the Senate. Did she also lobby the MPs to sell them houses? Did you have a mandate to do that? Could you tell us what her mandate was? Did she report to you about her lobbying activities?

Mr. Raymond Bélair: I met Ms. Buckler twice. Her role was to advise us and help us regarding the issues before this committee. She began to work with us and do lobbying for us in the month of May, which was seven months after the contract was awarded to us.

Mr. Jean-Yves Laforest: This is what I am telling you. You already had the contract. So, why was she lobbying?

Mr. Atyeo just stated that he had heard that lobbyists had tried to ensure that committee members not vote in favour of the motion regarding the Auditor General.

Would you confirm this?

Mr. Raymond Bélair: No.

Mr. Jean-Yves Laforest: Are you saying that this is false?

Mr. Raymond Bélair: I am not saying that it is false, and I cannot confirm that it is true. I do not know whether she was trying to stall the adoption of this motion.

Mr. Jean-Yves Laforest: So you cannot tell us whether or not that was the case?

Mr. Raymond Bélair: Precisely.

Mr. Jean-Yves Laforest: Have you no control over the lobbyists whom you hire? Do you not give them a specific mandate?

Mr. Raymond Bélair: Their role is to manage affairs that have to do with this committee.

Mr. Jean-Yves Laforest: And do they not report to you about the work they do?

Mr. Raymond Bélair: Not necessarily.

Mr. Jean-Yves Laforest: Thus, you hire lobbyists, you pay them and you tell them to go ahead and do their work. Do you not verify anything?

Mr. Raymond Bélair: Let me clarify a point. One of the roles of our lobbyists is to inform the committee by supplying it with the information it needs. I think that that was what the lobbyists were doing.

Mr. Jean-Yves Laforest: The lobby was certainly not used to explain the nature of the contract; you already had it. However, there was a notice of motion requesting an audit by the Auditor General.

You, Royal LePage, were the ones who engaged Ms. Buckler. Was her mandate to ensure that the audit not happen?

• (1620)

Mr. Raymond Bélair: I would not go so far as to say that.

Mr. Jean-Yves Laforest: So you are not ready to tell us whether or not that was what she did?

Mr. Raymond Bélair: [Editor's Note: Inaudible]

Mr. Jean-Yves Laforest: Thank you.

[English]

The Chair: Merci beaucoup, Monsieur Laforest.

Mr. Fitzpatrick.

Mr. Brian Fitzpatrick (Prince Albert, CPC): Thank you.

I want to pursue some questions with officials and with Mr. Goodfellow.

I can understand, Mr. Goodfellow, why you wouldn't want to prepare another proposal. If this is the proposal, it would be a fairly ambitious undertaking to create another one. I can certainly sympathize with the situation you may have been in at that time.

I'm curious about who actually prepared the proposal in 2002. Was it yourself or was it somebody else?

Mr. Richard Goodfellow (Manager, Project Delivery Services Division, Public Works and Government Services Canada): I was an acting manager at the time, solely dedicated to this procurement process. I think I mentioned last time that it was a collaborative effort with the members of the interdepartmental committee and with the client departments. They were assisting in the preparation of the RFP.

Mr. Brian Fitzpatrick: Would it have been basically the same team in 2002 that would have put this thing together?

Mr. Ian Bennett: Mr. Chair, could I seek a clarification? I believe the question was on the 2002 process. To make sure the facts are correct, I'll mention that Mr. Goodfellow was not involved in the 2002 process; Mr. Goodfellow oversaw the 2004 process. That was part of the—

Mr. Brian Fitzpatrick: Okay, that's fine.

Who was in charge of the 2002 process? Mr. Bennett, you should know that.

Mr. Ian Bennett: David Pyett was accountable for the 2002 process.

Mr. Brian Fitzpatrick: I want to get something clarified here. Maybe I could start with Mr. Campbell. On the volumes of work involved with the property management matter, if I understand the auditor's office correctly, you did check this matter out, and as far as you were concerned, the actual volumes were information that was readily available. Is that correct? Is it correct that you went to two terminals and found out what the actual volumes were?

Mr. Ronnie Campbell (Assistant Auditor General, Office of the Auditor General of Canada): Yes, Mr. Chairman, that's correct. The information was readily available.

Mr. Brian Fitzpatrick: I'm going to ask Mr. Bennett. You state that all available information was used to get this information correct, but you basically admitted at this point that you re-used something from 2002, which wouldn't strike me as using all available information to get this right. I'm wondering how you could square this with what Mr. Campbell just said, that he could readily find this information and your people apparently couldn't.

Mr. Ian Bennett: Mr. Chair, this goes to a fundamental question with respect to accountabilities. We sought the information from the departments that would have had the program requirements and would have understood how the program requirements would change in the future. This was validated with the department, and this was the basis for the inclusion in the RFP. In other words, we looked to the departments we were dealing with, with respect to their business volumes and how it was going to evolve in the future, and that is the information that is reflected in the RFPs.

Mr. Brian Fitzpatrick: I'm having difficulty following that line.

In the material I also see a question. I don't know which document this would be. The bureaucratic mumbo-jumbo on every cover sheet makes them all look like the same document, but there's a question in the document that says, "Property Management, provide actual annual volume numbers for member use of property management services over the past 5 years."

Then it says in response to that question, "Actual volumes for property management services are unavailable for the past 5 years,

but the estimated number of annual moves per region is provided on Table 2 of Appendix 1 to Annex D."

The difficulty I'm having here is that the Auditor General's office actually checked terminals and found the actual volumes. This answer here doesn't fit with what the Auditor General's office is saying, and quite frankly, the explanation that you just gave, which I'm having trouble trying to understand, doesn't fit with what the Auditor General has said on this matter either.

Do you disagree with the Auditor General that the actual volumes were not available?

• (1625)

Mr. Ian Bennett: In hindsight, we agree with the Auditor General that the actual volumes were available. What I am trying to stress with the committee, Mr. Chair, is that when we sought confirmation from departments that these were the correct business volumes—and they would have that information—we were told that for the purposes of the RFP they were the correct business volumes.

Mr. Brian Fitzpatrick: Right.

I'm going to pursue another area. I have the summary of the scores, but I don't think we have the scorecard—how you arrived at that. I'll go to the scorecards.

The technical, I understand, was 75% of the scoring, and from what I can gather, that would really measure the quality of the service that was required. I can understand that. You don't shop on price alone in this world; you need quality as well. I think we've all bought something on the cheap and found out we should have paid more to get the quality we want in life, so I can understand that point.

But the difficulty I have under the technical part—In baseball, the best hitter in baseball in my books was Ted Williams, who hit I think over .400 four or five times. But .400 isn't perfect. A perfect in baseball would be 1,000%. But he hit .400, and I don't think anybody has done it since he hit .400.

But I see on the technical scoring for quality, Royal LePage got a perfect score on all the rating systems. Really, unless I'm misreading this, it shows 75 points out of 75 points on that. I don't know of any system or anything in this world that lends itself to perfection. There's always room for improvement.

Am I reading this thing wrong?

Mr. Ian Bennett: Perhaps, Mr. Chair, Mr. Goodfellow can walk you through the analysis.

Mr. Richard Goodfellow: Thank you, Mr. Chair.

You'll see that the lowest price and the highest technical score would become your baselines against which you would evaluate the other bidders. In this case, Royal LePage got 984.2 out of a possible 1,000 points. Because that becomes your baseline, they therefore get the full 75 out of 75 marks for the technical.

And then for the price, Envoy, being the lowest price, was used as the baseline. Therefore, Envoy got 25 out of 25 for the price and 70 out of 75 for the technical.

Mr. Brian Fitzpatrick: I'm going to ask a question that I think is quite relevant to this whole matter. Assuming the information was correct in your proposal on the property management, and let's just assume for the purposes of mathematics that the competing bidder had bid zero on that property management, the same as Royal LePage—I think this question is crucial to the whole process. The way I'm reading your scorecard here, the results would have narrowed, but Royal LePage would still have come out the winner under your score system.

Could I get some clarification on this point?

Mr. Ian Bennett: That's a correct conclusion. Holding all things equal, and not getting into speculation on what would have changed, what could have changed, that's a correct conclusion.

Mr. Brian Fitzpatrick: Could I get the auditor's response to that?

Mr. Ronnie Campbell: Mr. Chairman, I think Mr. Sloan will add a little bit of light to how those calculations would have impacted.

Mr. Bruce Sloan (Principal, Office of the Auditor General of Canada): Thank you, Mr. Chair.

As was indicated, the person with the lowest price got the maximum number of points. In the situation described, had Envoy bid zero, their points would have remained the same; however, that would have had the effect of reducing the points awarded to Royal LePage for the financial component of the bid.

Mr. Brian Fitzpatrick: But who would have won the bid, then?

Mr. Bruce Sloan: I think to arrive at what may have happened you would need to take into consideration the other issues that the CITT ruled on as well. Then, as the Auditor General said last week, you'd get into a fair amount of speculation.

• (1630)

The Chair: Thank you very much, Mr. Fitzpatrick.

Mr. Christopherson.

Mr. David Christopherson: Thank you very much, Chair, and thank you all for your presentations today.

My question is for Mr. Campbell, the acting Deputy Auditor General?

Mr. Ronnie Campbell: Assistant Auditor General.

Mr. David Christopherson: Good enough. I learned in this business early, always promote high. Especially when they're in uniform, call them all generals and if they're only a colonel, you're all right.

I want to read from the Auditor General's opening statement at the last meeting, point 4:

Government contracts should be awarded through a process that is fair, equitable, and transparent. We found that these contracts were not awarded through such a

process, despite various warning signs. The request for proposal contained materially incorrect business volumes that gave an unfair advantage to the bidder who had the previous contract.

Secondly, you went on to say: "We have concluded for two reasons that the Canadian Forces and RCMP/Government of Canada contracts"—meaning the current ones—"were not tendered in a fair and equitable manner."

And you make a comment in the main report on page 15 at the bottom, where it says:

Even though the government may incur additional costs as a result of terminating the 2002 contract for the Integrated Relocation Program, PWGSC acted appropriately to preserve the integrity of the government's procurement process.

My question is, in order to preserve the integrity of the government's procurement process, do you believe it's in order that this contract be retendered?

Mr. Ronnie Campbell: Mr. Chairman, as the Auditor General said the last time we met, that's a decision for government. I don't know what other options they have available to them.

Mr. David Christopherson: I appreciate that. I'm going to push a little, though, because the Auditor General went out of her way in her report, Mr. Campbell, to state what I just repeated. She went so far as to say that she thought the cancelling of the 2002 contract was appropriate, even though money would have been spent. So, I'm sorry, but I've got to push again. In the view of the Auditor General, would we be preserving the integrity of the government's procurement process if we recommend to the government they cancel this and retender? Do you believe this would be consistent with the goals that were being sought in 2002?

Mr. Ronnie Campbell: Mr. Chairman, if the contract was awarded in another process through a fair and transparent manner, that would help preserve the integrity of the process.

Mr. David Christopherson: This is the crux of it, Chair, if ultimately the committee concludes that we believe the Auditor General—We've got two very stark and different opinions, very blatant, where the Auditor General has said this is not a fair and equitable process, period. The department, however, has said in black and white that they believe it is, flat out. It's the first time I've seen it. I'm told that it has happened in the past, but it's the first time I've seen anybody roll in, look the Auditor General right in the eye and say, no, you're wrong, we're right. Yet that's where we are. At some point, it seems to me, we're going to have to come to grips with this issue of the current contract if we're to give meaning to what we say about what happened in this little trip down fantasyland.

I want to ask you something, Mr. Atyeo. I don't want to get cross-fighting here, but Mr. Bélair has indicated in a couple of places that issues that have been raised aren't really issues that would affect the fairness of the competitive bid. In your opening statement you said you've got lots of information; you can back it all up. Unfortunately, you didn't get to table any of it. So I want to give you a chance now to take a moment to put on the table issues that you believe are key to why this was not a fair and equitable process.

The Chair: [*Inaudible—Editor*]*—the government point of view, the way the government handles it.*

Mr. David Christopherson: Yes, of course.

Mr. Bruce Atyeo: That's a big question. I will try to be as precise as possible. From the government's point of view.... The reason you're not getting any answers from Public Works as to why 7,200 files per year instead of 30,000, or whatever the number should have been, is that they didn't have the numbers. The obvious question is, then, why didn't they have the numbers? The numbers were available, as the Auditor General found out.

There isn't a relocation management company in this country or in North America that I'm aware of that couldn't produce those numbers with the push of a button, including Royal LePage, who apparently have a \$24 million computer system specifically designed for the management of relocation files.

The reason you're getting blank stares is that there is no answer. They should have had that information. I would not accept the answer in our company that the information wasn't available. DND had the information; Treasury Board had the information; the RCMP had the information. For them to say they didn't have the information tells you that you have a serious problem somewhere in your processes and in the management of this program.

From a government point of view, you have to start looking there. There is no reason in the world why they shouldn't have had that information.

When you look at all the other things, the total weight of all of the coincidental and seemingly innocent things that happened—such as the close relationship between Mr. Bélair and the people who were working on the 2002 bid—

And you can say what you want, but the issue of going on a cruise in the Caribbean has nothing to do with who paid for it or who was there. The issue is that obviously Mr. Bélair and Ms. Douglas had a relationship outside of work that included socializing, to a level that their families vacationed together. Where I come from—and I've been on Caribbean cruises with groups of people myself—that makes for a pretty close relationship.

What happened in Ottawa the rest of the year? Did Ms. Douglas go over to Mr. Bélair's house for a barbecue on Saturday afternoon? I don't know.

• (1635)

The Chair: We're looking at the government. This investigation has been done. But again, you have another minute.

Mr. Bruce Atyeo: Okay. My question on that one—and I said this is a big answer, and I'm giving you a couple of examples—is, why

didn't the government react to the finding that there was this conflict of interest?

Public Works just sits there with a blank stare and says, "Well, they each paid their own way." That's not the point. The point is whether there was any influence on the development of the RFP in 2002 and again in 2004, because as we've seen, basically the RFP was rolled from 2002 to 2004.

How much influence was exerted by the relationship between Mr. Bélair and Ms. Douglas and Mr. Pyett? I don't know, but I'm asking the question.

Mr. David Christopherson: Thank you. I don't have much time left.

The Chair: Ten seconds.

Mr. David Christopherson: Let me just use that, then, to indicate to you, Chair, that my next two questions are directly to the Treasury Board, as a result of the statement of the Auditor General at the last meeting, but I can't put them because they're not here.

I still don't have an adequate answer as to why they're not here, by the way.

The Chair: Thank you very much, Mr. Christopherson.

Mr. Wrzesnewskyj.

Mr. Borys Wrzesnewskyj (Etobicoke Centre, Lib.): Thank you, Chair.

So we have a tendering process where one party has an unfair advantage because they have been the provider of services, and you would assume that Public Works would want to level the playing field.

I'm just rehashing some of these things, but the Auditor General says Public Works subsequently communicated to all bidders that actual volumes were not available for the past years. She also states that Public Works' response based on representations from the Canadian Forces, the RCMP, and the Treasury Board Secretariat was that figures were not available. That's out of her report. And she also states that in developing the request for proposal for contracts, the project authority could have asked the incumbent service provider to provide statistics on actual business volumes. They found no evidence of such a request.

Well, that's pretty mind boggling, where that leads us. In last week's hearing, Mr. Goodfellow, when I asked you whether an existing relationship existed between individuals involved in the RFP—between Royal LePage and some of those individuals—you said that yes, there was, in the development of the RFP.

I now look at this table, and it's fascinating, because you have Treasury Board, DND, and the RCMP in box 1 for the "Provision of a detailed Statement of Work", and then you have them again in box 9 for "Payment Requisitioning". Yet last week we heard that you had a system whereby when submissions were made—for instance, in National Defence—within 24 hours payments flowed. There was a zero balance at the end of every 24 hours, and there was a backlog of 35,000 or 36,000. We have no idea what has been paid for.

You have an existing relationship. The people cutting the cheques, who are involved in moneys being paid to Royal LePage, are helping to structure a tender and are not willing to provide Public Works with the information so that a fair set of rules can exist in the tendering process. Now, Mr. Bennett, I'd be extremely concerned.

I have a question for you, Mr. Bélair. What kind of relationship do you have with, or do you know, Lieutenant-Colonel Jacques Taillefer, or maybe I'm mispronouncing it?

• (1640)

Mr. Raymond Bélair: He was part of the program I think around 2004.

Mr. Borys Wrzesnewskyj: So you do know this gentleman.

Mr. Raymond Bélair: Of course. We worked together—

Mr. Borys Wrzesnewskyj: You worked together.

Mr. Raymond Bélair: —in this program.

Mr. Borys Wrzesnewskyj: I see. And did working together involve strictly work in offices, or was there sometimes after hours work?

Mr. Raymond Bélair: It was totally a business relationship.

Mr. Borys Wrzesnewskyj: Were there any other people at Royal LePage who would have had a working relationship with this individual?

Mr. Raymond Bélair: Most of the staff who deal with this on a day-to-day operational basis would have or could have.

Mr. Borys Wrzesnewskyj: What about Major D'Amours de Courberon?

Mr. Raymond Bélair: Alain.

Mr. Borys Wrzesnewskyj: I don't have the full name here. I guess it is J.D.

Mr. Raymond Bélair: He was part of the program administration with Colonel Taillefer.

Mr. Borys Wrzesnewskyj: And you had an ongoing working relationship with these individuals.

Mr. Raymond Bélair: On an operational basis, yes.

Mr. Borys Wrzesnewskyj: And these were the people, Mr. Goodfellow, that you were relying on to provide an even playing field in the tendering process.

Mr. Richard Goodfellow: These were the individuals who were providing, as indicated in the chart, their statement of work and were working on the evaluation criteria that were part of that RFP, yes.

Mr. Borys Wrzesnewskyj: So, Mr. Goodfellow, this same chart that you just referenced also states that these individuals were required, with the provision of a detailed statement of work, to include estimated volumetrics. They never provided that to you, did they?

Mr. Richard Goodfellow: That was highlighted right from the start at the kickoff meeting, and the volumes that were provided—the business volumes—DND did update. It was the methodology used to calculate the property management services that was the same from 2002 to 2004.

Mr. Borys Wrzesnewskyj: But the Auditor General's report said there's actually no record of your making a request of these individuals for volumes. You were in charge of this process.

Mr. Richard Goodfellow: There are minutes from the first kick-off meeting that document that we notified the client departments to provide the detailed statement of work and define the volumetrics required for the requirement. That is documented.

Mr. Borys Wrzesnewskyj: Could we get those?

Mr. Richard Goodfellow: Yes, sir.

Mr. Borys Wrzesnewskyj: Mr. Atyeo, I'll follow up on Mr. Christopherson's final question to you.

You referenced “tip of the iceberg”. You gave some examples from the past. But can you provide us with some information of the nine-tenths the Auditor General has not included in the report?

Mr. Bruce Atyeo: Yes, I'd love to have that opportunity. I've already alluded to a couple of things in response to Mr. Christopherson.

• (1645)

Mr. Borys Wrzesnewskyj: Do you have any specifics?

Mr. Bruce Atyeo: For example, another specific would be the answer that Mr. Bélair gave to the issue of pricing property management fees. The RFP asked us to put a ceiling price on the cost of property management for providing management services to employees who decided not to sell their houses.

Mr. John Williams: I hate to interrupt the witness, but I want clarification on this. You said a ceiling on property management services. Did you say property management services or to administer property management services?

Mr. Bruce Atyeo: We were to quote a ceiling price for the provision of property management services to public servants and members of the Canadian Forces who did not want to sell their houses—not unlike having to quote a ceiling price for the real estate commission that would be paid to real estate agents selling the homes of transferred public servants, or legal fees, or anything else.

So my understanding—and believe me, this is not clear to me either—is that Mr. Bélair said they could get this work done for nothing. I can't. I have to hire a property management firm out there somewhere to find a tenant, do the inspections, collect the rents, pay the bills, etc. I haven't found any that will do it for nothing. I know Mr. Bélair has access to a lot of Royal LePage real estate agents who might be able to do it in return for listings, but we don't. So I can't figure out how he could get zero for services that he has to buy from some other service provider. That's number one.

Secondly, at the bidders' conference, Mr. Goodfellow made it absolutely clear—and it was made clear in the RFP—that if you don't respond to any part of the RFP, your proposal will be considered non-responsive. Yet here we are saying that you have to provide a ceiling price for property management and Royal LePage didn't provide one. To me, that's non-responsive. Why didn't Public Works say, "Royal LePage, I'm sorry, your proposal was non-responsive"?"

I could go on and on, but I'm out of time. Thank you.

The Chair: Thank you, Mr. Wrzesnewskyj.

I believe Mr. Poilievre is taking the first part of the next session.

Mr. Pierre Poilievre (Nepean—Carleton, CPC): Mr. Bélair, in her report the Auditor General says she found that of the ten Canadian Forces members she reviewed, all ten of them paid an amount for property management services. Did they pay those amounts to you, to your firm? You were supposed to cover the costs of property management for a price of zero. Is that correct?

Mr. Raymond Bélair: Property management in this instance is pretty clear. Property management fees are from a personalized benefit. This is money that the transferees have to do what they need to do. It does not cost the Crown any more. This is a formula; this is funding that has been given to every employee. It is not a flow-through cost to the Crown.

Mr. Pierre Poilievre: Okay, but that's not the question. The question I have is that the contract says in clear language that the fees for property management were to be included at a zero percent ceiling rate, meaning zero dollars.

Are you telling me that you did not provide that service then, that you relied on someone else to provide that service?

Mr. Raymond Bélair: What I'm saying is that we may disagree on the interpretation of the policy and then the contract, and with respect to the work of the Auditor General and the deliberations of this committee, we are trying, and we have begun working with our client departments, to review these files and what's at question here.

Mr. Pierre Poilievre: Are you reviewing them because you think there might be a possibility that you in fact committed to provide property management services at zero dollars?

Mr. Raymond Bélair: We need to ensure that the interpretation of the policies and the contract are well documented and—

• (1650)

Mr. Pierre Poilievre: Wait a second here. You're not clear on your own contract? When you signed a contract, you did not know whether or not you would provide property management services? Is that what you're telling me? Years after that contract was signed, you still don't know whether you were supposed to include property management services in the contract?

Mr. Raymond Bélair: We, Royal LePage Relocation Services, do not provide property management services to members. This is done through outside agencies.

Mr. Pierre Poilievre: At the same time, the contract seems to imply that you were supposed to.

Mr. Raymond Bélair: That's where we need to—

Mr. Pierre Poilievre: It says:

The Contractor will be reimbursed for [third party service] fees at actual cost up to the ceiling rate quoted with no allowance for profit or overhead.

This is what the Auditor General found:

We found that all 10 Canadian Forces members had paid an amount for property management services, from their own funds, that exceeded the contractual rate by between \$800 and just over \$8,000.

So according to the Auditor General there were fees paid by Canadian Forces members that should not have been paid.

Mr. Raymond Bélair: We are working with our client departments to review these issues, and I want to be clear that if for any reason, at the end of this process, it is concluded that one penny has been overcharged, we will reimburse the money directly to every transferee.

Mr. Pierre Poilievre: I will just conclude by saying that you should have known what your obligations were for property management when you started this contract. We should not be reviewing these questions after the fact, and I hope our Canadian Forces members are in fact reimbursed for fees they have been charged illegitimately.

Thank you.

I turn my time over to John Williams.

Mr. John Williams: Thank you, Mr. Chairman.

I thought it was the other way around, that I turned my time over to Mr. Poilievre, but anyway, thank you.

Mr. Campbell, in paragraph 5.26 of your report you say:

—the bid evaluation process, a contract was issued to RLRS for the ceiling rate of zero percent for property management services, indicating that these services were to be provided without cost to Canadian Forces members.

From my reading of Mr. Bélair's opening statement, he would suggest that they were paid money to oversee property management and they bid zero for overseeing property management services. Then he goes on in his opening statement to say that property management fees are to be paid from this personalized envelope, which is to be reimbursed by the personnel.

My question to you on paragraph 5.26 is, are you absolutely clear that Canadian Forces members were to be provided this service for free?

Mr. Ronnie Campbell: Yes, Mr. Chairman, we are.

Mr. John Williams: There is no ambiguity in your mind?

Mr. Ronnie Campbell: No, sir.

Mr. John Williams: Mr. Bélair, you were saying in your opening statement—and you read the testimony of last week where the Rear Admiral admitted that having these people pay these costs was wrong and that they were to be reimbursed. He could not give any assurance that the money would come from you.

Mr. Bélair, are you going to reimburse the government, as they have to reimburse these military personnel?

Mr. Raymond Bélair: Once we've reviewed this process with the client departments, we will reimburse the moneys directly to transferees, if they have been overcharged, yes.

Mr. John Williams: And we just heard from Mr. Campbell that there is no ambiguity here. The bid was evaluated on those third-party services, which included property management services, and therefore you bid according to that, so that you were to ensure that a third party would provide these services.

Why would you be charging the military personnel for their own move when your contract is with the government?

Mr. Raymond Bélair: There's clearly a disagreement on the contract in its policy interpretation. I want to at least have the opportunity to work with our client department to develop a process to resolve these differences and to come to an agreement within a reasonable timeframe.

Mr. John Williams: Okay, Mr. Bélair. I presume the Auditor General advised you of this and brought to your attention months ago that their interpretation of the contract was different from your ambiguity—

When did you raise the possibility with your client or departments that there might be some misinterpretation and that perhaps you owed some money back?

Mr. Raymond Bélair: We were aware of the recommendations when the report was tabled.

Mr. John Williams: But you had the contract. You knew it was under discussion and debate. Has anybody read this contract?

Mr. Raymond Bélair: The Auditor General's office never discussed property management with us.

Mr. John Williams: I'm concerned about the 60%. There were 15,000 moves, and the government said 60% of them would be requiring real estate management services. That's about 9,000 moves. That's a lot of supervision, Mr. Bélair. Even if you weren't actually involved in the actual provision of the services, you were going to be supervising 9,000 houses under management, and you bid zero. Was that based on knowledge from elsewhere—in fact, you already had the contract—or were you prepared to bid zero based on the fact that there were 9,000 moves you weren't going to charge for?

• (1655)

Mr. Raymond Bélair: The volumes are an issue that you'll have to ask the client departments about.

Mr. John Williams: No, no. The client departments said in the RFP that 60% of the moves would require property management services. If there are 15,000 moves, 60% of that equals 9,000 houses, so 9,000 houses required property management services. You're saying you bid on the basis that you would charge nothing for overseeing the management of 9,000 houses—or were you privy to information from another source?

Mr. Raymond Bélair: We have to be clear that this contract really specifically prohibits us from charging anything other than an administration fee. There's no connection between the two.

Mr. John Williams: Mr. Chairman, I have to object. I specifically asked a question about the RFP, which said 60% of 15,000 moves would require property management services; that is, 9,000 moves would require property management services. We know Royal

LePage bid zero. My question was quite specific. Did Royal LePage bid zero knowing that they would have to supervise 9,000 moves, or did they have information from another source, presumably knowing the contract already, that allowed them to say they didn't have to worry about it and could use a different figure?

I am asking where you got the information that you used to bid zero.

Mr. Raymond Bélair: The estimated volumes, in our opinion, ultimately used in this bid were irrelevant, since property management is a personalized benefit and has zero impact to the Crown and its total expenditures under this contract. The numbers there were for evaluation purposes.

Mr. John Williams: I have to object, Mr. Chair—

The Chair: Mr. Williams, I can appreciate where you're coming from. I'm just shaking my head up here listening to this testimony.

This is a major dispute. We're talking millions and millions of dollars. He's answered the question as well as he could.

Do you have anything to add, Mr. Bélair?

Mr. Raymond Bélair: No.

The Chair: I think we're going to move on.

Colleagues, we're going to adjourn here in 15 minutes and go in camera. I'm going to come back to you, Mr. Williams.

I'm going to give everyone three minutes. Ms. Ratansi, Mr. Williams, Mr. Laforest, and Mr. Christopherson will all have three minutes.

Ms. Yasmin Ratansi (Don Valley East, Lib.): Mr. Goodfellow, do you have the request for proposals submitted by Royal LePage in your possession?

Mr. Richard Goodfellow: No, ma'am, I don't.

Ms. Yasmin Ratansi: Could we have it made available to the committee, please? I want the documentation.

Ms. Ellen Stensholt (Senior General Counsel, Legal Services, Public Works and Government Services Canada): That depends. We would exclude from it commercially confidential information, such as bid unit prices. You're asking for their proposal. They would have put in individual unit prices. That is close to sacred information to a commercial entity. We can release the total bid price, but not the individual unit prices. We simply don't ever release that. It's an exemption from the Access to Information Act. It's exempt under the Canadian International Trade Tribunal Act. That's just not producible.

Ms. Yasmin Ratansi: Okay.

The RFP asked for two things: the administration, and then there was a third-party component to it. I'm an auditor and an accountant by trade, so if I don't see these things and I'm hearing things—we've been sitting for two days of testimony and we're not getting any responses. I'd like to see what they did respond.

If there's a conflict between what Mr. Bélair understands the contract said—I looked at page 240 of the RFP. “Ceiling Rates for Third Party Services” clearly states that you have to quote the third-party services. If you claim that was not part of the RFP and there is a confusion, I want to know. And if he quoted zero, then we need to know why Royal LePage quoted zero.

Ms. Ellen Stensholt: Frankly, Mr. Bélair is in a better position to answer why he quoted and bid in a certain way. We simply accept the bid as it comes in.

With respect to the confidentiality, I want to add something. When our whole bidding process is reviewed, for example, at the Canadian International Trade Tribunal or before a court, the way this confidential information is handled is it's given only to the counsel for the complainant for the party, and they have to sign an undertaking that they won't give that information to anybody. The undertaking is backed up with penal consequence. It is truly a serious matter to commercial entities.

● (1700)

Ms. Yasmin Ratansi: Okay. If it is a serious matter, could you please blank out whatever you have to blank out and provide it to us? At least we will know what we're looking at.

Ms. Ellen Stensholt: Of course.

Ms. Yasmin Ratansi: Mr. Bélair, you have been responding to the questions, saying you were not bidding on property management, but it says clearly in the RFP—I am really concerned as to how you could bid on a contract and say this was not part of it. Why is the Government of Canada responsible for millions of dollars in charges?

Mr. Raymond Bélair: Property management fees are charged directly to transferees and reimbursed from their own personal dollars.

Ms. Yasmin Ratansi: Sorry, that is the answer you've been giving, and I don't want that answer. The problem is that it says so in the contract.

I want to know, why did you quote zero? If you quoted zero, then you shouldn't have charged it. It is fraud. If you don't remember, it's on page 240 of the RFP.

Since my time is up, I can't ask anyone any questions, but I certainly don't want the answer that you've given in that book.

The Chair: Do you have any brief comment, Mr. Bélair?

Mr. Raymond Bélair: No.

The Chair: Thank you very much, Mrs. Ratansi.

We go back to either Mr. Williams or the Conservative members for three minutes.

Mr. John Williams: Thank you, Mr. Chairman.

Mr. Bélair, I'm still back at this issue based on the RFP of 9,000 moves, because that's what it said. You said okay, we're prepared to provide that free of charge and it's not a problem?

Mr. Raymond Bélair: When we prepared the bid, we looked at the total cost to the Crown, and based on the RFP—based on the policies, based on the contract—we determined that property management did not cost the Crown anything.

Mr. John Williams: Mr. Campbell, he says it's not going to cost the Crown anything, and you stated in whatever page it was that these services were bid zero. Mr. Bélair is stating that these property management fees are to be paid from the personalized envelope.

Now I want your absolute assurance that this is totally and completely unambiguous and clear in the contract that a figure was requested to provide these property management services, for which the government was going to pay. Therefore, for the employee, for the military personnel, if they decided to rent out their house, the government was going to pay the tab for the rental management, and the RFP required the bidders to put in a cost for that service. Am I correct?

Mr. Ronnie Campbell: There are two things, Mr. Chairman. Yes, the bidders were asked to bid a price for those services, even though those particular services were to be paid out of the personalized amount of the individuals. Our understanding was that this was a ceiling price, which would protect the individual members, in terms of the prices they would be charged.

Mr. John Williams: I have some confusion in my mind. So the personnel were to pay something themselves?

Mr. Ronnie Campbell: There was a personalized amount for each individual, but in each of the cases there was a ceiling price bid. That was the limit the individual would be expected to pay.

Mr. John Williams: And the bid was zero?

Mr. Ronnie Campbell: That's right.

Mr. John Williams: Because Royal LePage bid zero, there was no opportunity for them to charge military personnel.

Mr. Ronnie Campbell: That's correct.

Mr. John Williams: So because they bid zero, that denied them charging the personnel money. Is that correct?

Mr. Ronnie Campbell: Yes, sir. Given the fact that they got another company to do it, the member was still subject to that ceiling price, which was zero.

Mr. John Williams: Okay, Mr. Bélair, why did you bid zero, saying you were not going to charge the Canadian Forces and then turn around and charge the Canadian Forces?

Mr. Raymond Bélair: Again, there are a lot of complex issues in understanding this program. It's a large and complex program. Property management fees are paid from a personalized envelope. “Personalized” means it's their money. I can cash out that money and give it to them. It was clear in the RFP process that property management fees were a component of the personalized envelope and not a flow-through cost.

● (1705)

Mr. John Williams: I would like the Auditor General to comment on this, Mr. Chairman.

Mr. Ronnie Campbell: I think there are two issues. It was a personalized amount, but the companies bid a ceiling price on it. So some prices they bid were prices directly to the Crown and some were prices that were going to be paid by members. In this case, the bid was zero.

The Chair: Thank you very much, Mr. Williams.

Thank you, Mr. Campbell. Thank you, Mr. Bélair.

Monsieur Laforest.

[Translation]

Mr. Jean-Yves Laforest: Mr. Bélair, regarding the contracts that were awarded to you in 1999, 2002 and 2004, did you have to respect the market share of other real estate agents as far as relocations were concerned? When someone moved and you purchased a house or you were an intermediary in purchasing another house, in a given sector or province, did you have to respect a market share?

Mr. Raymond Bélair: No.

Mr. Jean-Yves Laforest: You had no market share to observe. There was nothing in the contract whereby a certain percentage of the purchased houses had to be attributed to Royal LePage, and another percentage to ReMax in Quebec. There was nothing like this?

Mr. Raymond Bélair: Within this program, it is up to each relocated individual to choose their own broker. It is not up to us to decide. We have nothing to do with that, it is up to the person who is transferred.

Mr. Jean-Yves Laforest: Could you give us—we will verify this in the contract—all the data regarding the houses that were purchased? You said that the transferees chose their own brokers, but I would like to have all the data: from Quebec, from Alberta, from British Columbia, from Ontario, to see how many houses were bought through which real estate brokers.

Mr. Raymond Bélair: We can give them to you and break them down according to the locations where the houses were purchased.

Mr. Jean-Yves Laforest: Very well, you will supply us with that. But we will check the contract because this is not what I heard. I think that you have to keep to a certain share of the market.

Let me come back to the Auditor's report, which concludes—and she mentioned this to us several times—that this contract had not been awarded in a fair and just way. For me, these are the key elements. This is really fundamental, and several elements point to that. There was really an appearance of serious problems in Public Works and Government Services Canada. When she told us that there was only one evaluator for the financial aspect, I had some serious misgivings. We are dealing with a budget of nearly \$1,280 billion a year. This is a serious matter and I will come back to it. The committee members will discuss it again later on, but I think that this is a fundamental element.

There are 75-25% proportions in the weighting that are not explained by any document. Why was the technical side given 75% and the financial side 25% in evaluating the bids? For contracts of this value, this is really unacceptable. The Auditor was unable to find any justification for this. We can find justifications for contracts

below \$100,000, but for a contract of this size, we find nothing. This does not make sense.

Mr. Atyeo, in the contract for which you made a bid, you were told that 60% of cases would involve real estate management. There was a great deal of discussion about this. We hear that your bid amounted to \$48.7 million, whereas the bid made by Royal LePage amounted to zero dollars. Do you feel that you bid on the same invitation to tender as Royal LePage did?

[English]

Mr. Bruce Atyeo: Sometimes I wonder.

I'm not sure I completely understand your question, Mr. Laforest.

[Translation]

Mr. Jean-Yves Laforest: Here is my question. Royal LePage had bid zero dollars for an important part of the contract, namely real estate management. In 2004, the company had access to previous figures, because it had been awarded the contract in 1999 and in 2002. It had access to the real figures, whereas you, even after making many requests, were unable to get the true figures. You were told that it would be 60%, but Royal LePage knew that it was in fact 0.22% because they had had the experience.

Do you really feel that you bid on the same invitation to tender as Royal LePage did?

• (1710)

[English]

Mr. Bruce Atyeo: We bid on the same contract, but obviously we interpreted the RFP differently.

The fact of the matter is that if they bid zero, they bid zero; there should be no charge to the members. I don't understand how they could do that. It says very clearly that they were supposed to put in a ceiling price, and they didn't. That should make a bid non-responsive. That's not the same as bidding a price of zero. It's not, "Our price is zero." They were told that they had to put in a price.

Now, I guess the only way they could say they would do it for nothing was because they knew there were only 30 files a year and they were prepared to absorb the cost.

What we were supposed to bid on, and told very clearly, was, first, assume that the member's house is rented for \$1,000 a month. Property management companies charge a percentage of the rent on a monthly basis. That's typically the way the business works. So for argument's sake, let's just say it's 10%. The member would have to pay \$100 a month, then, out of their personalized envelope.

By the way, the money for the personalized envelope somewhere along the line comes from the government. Not all of it comes out of the member's pocket.

[Translation]

The Chair: Mr. Laforest, it is over.

[English]

Mr. Bruce Atyeo: They must have assumed that they were going to absorb it.

The Chair: Mr. Christopherson, three minutes.

Mr. David Christopherson: At least we're getting to the crux of the matter, although we're still a long way from who should have caught this.

The fourth point the Auditor General made the other day was this: "The request for proposal contained materially incorrect business volumes"—that's this issue of the 60%, the 0.22%—"that gave an unfair advantage to the bidder who had the previous contract."

Mr. Bennett, why do you not agree with that?

Mr. Ian Bennett: I do agree with it. I agree that the business volumes were inaccurate. There's no question about that.

Mr. David Christopherson: Do you believe it gave an unfair advantage to Royal LePage?

Mr. Ian Bennett: I think in retrospect, yes, it probably would have. Had they known their correct volumes, and assuming that information was not available to others, yes, it would have caused them to price—

Mr. David Christopherson: How much was that line item worth in your bid, sir?

A voice: It was worth \$48.7 million.

Mr. David Christopherson: So \$48.7 million.

I mean, this is the issue at hand, Mr. Chair. And then given the fact that we had the previous contract that had to be set aside because of potential conflict of interest, and the fact that we still have a government that hasn't said they're going to do anything about this yet, this thing is far from over. I'm going to keep maintaining that: we're not going to get to the bottom of this in this length of time.

Just so we understand, from 60% is what you had to bid. You looked at it and said, "I need to cover that", when 0.22% is actually how much it cost. The current contract holder would know that. You couldn't access the information.

We have issues about whether or not that information should have been available and who should have provided it. We still don't have answers for that. We haven't been anywhere near those kinds of issues.

Furthermore, in terms of the fairness of the contract, \$48 million on a one-line item? I'd like to know why this wasn't caught in the pilot project. What was the interpretation of who provided those services in the pilot project, and what did it cost there?

Mr. Ian Bennett: Mr. Chair, the information in terms of the 2002 and the pilot...the program was changing in terms of the estimated business volumes.

As well, the second process, in 2004, was 18 months after the 2002 contract. It was based on, as I said, the best information the departments had given us. It was based on what we expected in terms of that business volume. That was the basis for the RFP.

Mr. David Christopherson: Auditors, do you find that acceptable? I know I don't, but you're the professionals.

Mr. Ronnie Campbell: I'd just repeat, Mr. Chairman, that we easily accessed the actual information during the audit.

•(1715)

Mr. David Christopherson: But the fact that the discrepancy was allowed to remain and wasn't picked up, this wasn't clarified.... Royal LePage is arguing that it's a wording interpretation thing about which we disagree, and it looks like something very different, that clearly there was an advantage here.

Mr. Ronnie Campbell: There are two main issues in the audit. The information was materially wrong, and we believe Public Works should have acted on the warnings that came up.

The Chair: Thank you very much, Mr. Christopherson.

I just have a couple of quick questions here, gentlemen.

Mr. Sloan, Royal LePage said they weren't talking about property management issues, but in a letter directed to you dated October 17 they talked about this issue. Did you respond to that letter?

Mr. Bruce Sloan: In that letter was a letter we had sent to ask them for comments on the original draft, and we made some adjustments to the text in response to that, yes.

The Chair: Was there an actual response to the letter?

Mr. Bruce Sloan: No. We made some adjustments to the text and went through that.

The Chair: Okay, so there's no formal letter that went back.

Mr. Bruce Sloan: No.

The Chair: Thank you.

I have one last question to you, Mr. Goodfellow. We've heard this debate about whether or not Royal LePage is responsible for property management fees pursuant to the provisions of the contract. What is your view on that issue?

Mr. Richard Goodfellow: I think the contract is clear, and this is something that I will be consulting the client departments on. If they request my assistance in recovering the money charged for property management services in the event that it did occur, Public Works will assist the departments in recovering those funds.

The Chair: Thank you very much.

That concludes our time, colleagues.

A point of order and a motion? A point of order, Mr. Williams.

Mr. John Williams: My point of order is quite simple. I asked Mr. Bélair when he first became aware of certain information, and he said when the report was tabled. I believe that is paraphrasing his words, but I think that was the intent of his response. I see in a letter included in this package, what I'm just seeing here, that on October 17, 2006, in a letter addressed to Mr. Sloan, it says, "Thank you for the draft copy of the above-noted report".

Now, Mr. Bélair, when did you actually become aware of the contents of the Auditor General's report?

Mr. Raymond Bélair: [*Inaudible—Editor*]*—*but we did not have the full report.

Mr. John Williams: Thank you.

The Chair: Thank you, Mr. Williams.

Mr. Christopherson.

Mr. David Christopherson: I wanted to move that we hold at least one more meeting with witnesses on this chapter, Chair.

The Chair: Okay. It is moved by Mr. Christopherson that we hold one more meeting.

Mr. David Christopherson: At least one more.

The Chair: We can decide at the time. The motion is that we hold at least one more meeting. I sense there's consensus.

(Motion agreed to)

The Chair: Okay, then, colleagues, we are out of time.

Mr. David Christopherson: A point of order. I shouldn't have to, but could I ask that the Treasury Board Secretariat and the Department of National Defence be included as witnesses?

The Chair: And the RCMP and the Deputy Minister of Public Works.

Mr. David Christopherson: There you go.

The Chair: Mr. Wrzesnewskyj.

Mr. Borys Wrzesnewskyj: Just for additional clarification, we should have the individuals from the departments who took part in this process: Lieutenant-Colonel Jacques Taillefer, Major D'Amours de Courberon, and Mr. Gus MacIntosh. Just for further clarification, these are the individuals from those departments who were involved in the process.

The Chair: Okay.

Mr. Fitzpatrick.

Mr. Brian Fitzpatrick: It may be useful, too.... We have Mr. Longfellow here. I thought he was the person who—

A voice: Mr. Goodfellow.

Mr. Brian Fitzpatrick: Or Mr. Goodfellow, sorry. He's a good fellow. He probably figures these meetings are fairly long, but he's a good fellow.

He's not really the person who constructed the proposal. The person who did it is somebody else, and it may be useful to have that person who was in charge of the team that actually put the proposal together in the first instance—maybe his name is Longfellow.

The Chair: Mr. Bennett.

Mr. Ian Bennett: Mr. Goodfellow was accountable for working with departments for the 2004 process; he was not accountable for the 2002 process, so it would depend—

Mr. Brian Fitzpatrick: That's what I'm getting at. My understanding is he used the proposal that had been made in 2002 and didn't really change it. So what I want is the guy who was in charge of the 2002 year. What's that person's name? You did give the name.

Mr. Ian Bennett: We provided it in the material that we provided, I believe.

The Chair: Monsieur Laforest.

• (1720)

[Translation]

Mr. Jean-Yves Laforest: As we are proposing names of witnesses to invite, I would like to note that this meeting should have been held in the presence of Deputy Minister David Marshall,

as we had agreed at our last meeting, without having to summon him. I think that it is important for Mr. Marshall to be present at this meeting.

[English]

The Chair: You're quite correct, and if we're coming back we'd invite the deputy. That's understood.

Mr. John Williams: Mr. Chairman, I'd have to leave it to you and the clerk to arrange a date for the meeting, based on the capacity of the witnesses to appear.

The Chair: Yes, and I can assure you that it won't be until February of next year. Well, I shouldn't say that; I shouldn't be so quick.

I'm going to suspend. We're going to go in camera.

Mr. Borys Wrzesnewskyj: On a point of order, Chair, there are a couple of motions before the committee.

The Chair: We're going to deal with them in camera, Mr. Wrzesnewskyj.

Mr. Borys Wrzesnewskyj: There's not a requirement that they be in camera, and I would prefer that those motions be dealt with in public.

Mr. David Christopherson: Mine is the other motion, and I would like it to be done in public too. There's no reason to go in camera.

The Chair: There's no reason, but they're not related to this chapter. If you want to deal with them, I can.

Mr. David Christopherson: Going in camera is a whole different deal from just adjourning this segment and moving to a new issue, as you well know.

The Chair: We can deal with both motions, if you wish.

Have they been circulated, Mr. Clerk? Have the motions been circulated?

Mr. Georges Etoke (Clerk of the Committee, Standing Committee on Public Accounts): Yes, last week.

The Chair: Perhaps, before we do this, we can release the witnesses. You don't have to stay. We want to thank you very much for your appearance this afternoon.

Once we deal with the motions, we will be going in camera. You're welcome to stay if you want. Again, we're dealing with something that's not related, and you're welcome to leave.

And again I want to thank you very much for your appearance here today. Thank you. Merry Christmas to everyone.

Can I get everyone's attention?

Colleagues, we have two motions. They're similar. I would like to deal with them quickly. They both involve the leak from the last auditor's report.

The first motion is from Mr. Wrzesnewskyj. It basically states, and I'll go to the last sentence:

I move that the Public Accounts Committee ask for an investigation into the leaks of both of the Auditor General's most recent reports, May and November 2006 by the RCMP.

He's basically asking for the RCMP to investigate both leaks.

Mr. Christopherson's motion is much simpler. He is looking for the government, the executive, to provide to this committee a representative just to explain the investigative process: what has taken place; the timelines; the results, if any; circumstances that they're aware of surrounding both leaked reports, the May 14, 2006, report and the November 8, 2006, report.

Let's deal with Mr. Wrzesnewskyj's motion first.

Do you have anything to add, Mr. Wrzesnewskyj, other than what I've said?

Mr. Borys Wrzesnewskyj: No, and I think the text of the motion makes clear the intent.

The Chair: Is there any other discussion on the motion?

Mr. Williams.

Mr. John Williams: Thank you, Mr. Chairman.

I will ask whether you'd check with the clerk to find out whether the motion is in order. The public accounts committee has no capacity to communicate with the RCMP or any other outside institution; therefore, I would tend to think that the motion is not in order.

The Chair: From advice from the clerk, I agree with Mr. Williams' point of view, that we can summon for papers, persons, what have you, from government—and of course we report to government—and it wouldn't be normal to report to the RCMP. However, anybody in this committee can individually file a complaint with the RCMP and deal with it on that basis.

Mr. Wrzesnewskyj.

• (1725)

Mr. Borys Wrzesnewskyj: Chair, this is not compelling the RCMP. It's a request for the RCMP from the committee. I think if you check you'll find that it is within our competency to make this sort of request.

The Chair: There's absolutely no way this committee, or any committee of the House, can compel the RCMP to do anything. The gist of the motion is to ask for an investigation. Again, the advice I'm getting is it's out of order.

Mr. Christopherson.

Mr. David Christopherson: I would ask you and the clerk to help me. I understand you're saying it's out of order, but I'm not understanding why.

It looks to me as if you may have the answer right there. I won't talk any more, if you have an answer.

The Chair: What I'm going to do, colleagues, is this. I'd like to do some more research on the issue, and I'm going to take Mr. Wrzesnewskyj's motion under advisement.

I will rule on it, and I may even ask the Clerk of the House of Commons to get involved. I've read the section. It appears that we can't, but I want to research it a little more. I will rule on the motion in due course.

Mr. Laforest.

[Translation]

Mr. Jean-Yves Laforest: I entirely agreed with the motions that were tabled. You said that you would see if they were in order. But it would be important for you to see, if they are out of order, how committee members could, if necessary, convey their concerns about leaks to other authorities.

Also, I would like you to do some research to find out what the committee can do to stop this. If I understand correctly, that is the objective. The situation is unacceptable, and we think that the RCMP should handle it. However, we cannot sit here with our hands tied. There must be some way we can intervene.

[English]

The Chair: Mr. Wrzesnewskyj.

Mr. Borys Wrzesnewskyj: Prior to working on this motion I had asked for legal counsel from the House of Commons. I had been under the impression that this particular motion was in order; however, Mr. Williams has certain concerns. I'd be willing to entertain a friendly amendment that would state that should this motion pass, we will act on it only upon verification from House of Commons legal counsel that it is within our authority to make this sort of request.

The Chair: Just before I go to Mr. Williams, I want to point out that, from my dealings with the RCMP, we don't have any clout or say or sway with the RCMP. A group—we, individually, or 10 or 12 or 20 of us collectively—can ask the RCMP to investigate any matter we're aware of. Of course, whether they will or not is entirely up to them, and how they conduct their investigation is up to them.

I know the motion is a request. They have the right to say no. I just want to point that out to members. If there's a criminal activity, please feel free to inform the RCMP.

Mr. Williams.

• (1730)

Mr. John Williams: You pointed out, Mr. Chairman, that we have the authority to ask for papers and persons. I strongly believe this motion is completely out of order and I think you're right in reserving judgment.

It's totally out of order to have a vote on a motion whose validity has been questioned. The chair has reserved ruling on the validity of the motion in order to determine whether it is a motion that is in order. Therefore, to have a vote and to have the vote negated if the motion is ruled out of order is totally inappropriate. You cannot have a vote on a motion on which you have reserved judgment as to whether or not it's in order.

The Chair: Yes, that's the way I'm going to handle it. I'm going to do some more research. I'm going to contact the House of Commons legal counsel and I'm going to make a ruling on the motion.

Do you have anything to add to this, Mr. Fitzpatrick?

Mr. Brian Fitzpatrick: I think I do. We're getting into requests and so on. We have different operations that are independent from Parliament for various reasons, like the judiciary, for example. I think it would be inappropriate for a committee of Parliament to request a judge in a trial or some of the other independent officers.... The RCMP is viewed in our country as being arm's length from government. It's very important that they are viewed that way. If individual citizens have evidence or concerns, they're free to go to the RCMP and register their complaint. I don't know why we would have to proceed through a committee process on this. And I also think it's premature to get involved with that one because I think, Mr. Christopherson, if we vote for that one and we follow that course of action, we should maybe hear before we shoot. I think that's a reasonable position. We should hear from the government representatives and so on, and the auditor, before we go ahead and start asking for police investigations.

The Chair: That's sufficient discussion on that issue, colleagues. And again, as I've said before, if there's anyone out there who's aggrieved, or a political caucus, if you think it's appropriate, feel free to contact the RCMP. And I will rule in due course.

The next motion is the motion of Mr. Christopherson. I'll read the motion:

I move that the government provide a representative to the Standing Committee on Public Accounts to explain the investigation process, timelines and results regarding the leaked Auditor General reports of May 14, 2006 and November 8, 2006.

This motion, as I understand it, is quite simple. Mr. Christopherson is looking for somebody at the head of the table to come and explain what investigations have taken place, what information is

known, what is done, and explain to the committee what circumstances are known to the government.

Am I correct, Mr. Christopherson? Do you have anything to add to the motion?

Mr. David Christopherson: No, I don't, sir.

The Chair: Is there any more discussion?

Mr. John Williams: Does Mr. Christopherson have anybody in mind, Mr. Chair? There are about 180,000 people working for the federal government.

The Chair: There are 450,000, aren't there?

Mr. John Williams: It's 450,000, okay. Inflation is then setting in.

The Chair: I'm sure the government will come with the appropriate person.

Now don't forget, in the previous leak we did have a hearing and we were assured by the office of the Prime Minister that there was an investigation under way and that this was being done. Unfortunately, we haven't got the results of that investigation, so I assume the Prime Minister's Office would offer up the person who was doing that investigation.

Any further discussion? Okay. All in favour of the motion?

(Motion agreed to)

The Chair: Okay, members, we're going to suspend for one minute and we're going to go in camera.

[Proceedings continue in camera]

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