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Chair

The Honourable John McKay

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● (0845)

[English]

The Chair (Hon. John McKay (Scarborough—Guildwood, Lib.)): Ladies and gentlemen, we want to start this meeting.

Good morning, members.

Monsieur Fortier, welcome to the committee. You're an experienced parliamentarian so you know how this works. We'll invite you to an opening statement and then members will want to ask questions.

Colleagues, up until late yesterday afternoon we had all three witnesses for two hours, but the other two, Democracy Watch and Broccolini Construction, weren't able to come for the full two hours, so we're going to have Mr. Fortier for the full two hours, and Democracy Watch and Broccolini when they arrive. That's how we'll proceed.

First of all, Mr. Fortier, welcome, and we look forward to your opening statement.

Hon. Michael Fortier (Former Minister of Public Works and Government Services, As an Individual): Mr. Chair, thank you. I actually don't have an opening statement. You've asked me to come here to answer questions, so I will be happy to answer questions.

The Chair: Okay.

[Translation]

Mr. Coderre, you have eight minutes.

Hon. Denis Coderre (Bourassa, Lib.): Thank you, Mr. Chairman.

Welcome, Mr. Fortier.

Were you previously given instructions on renovation contracts when you were minister?

Hon. Michael Fortier: Yes.

Hon. Denis Coderre: What kind of information did you receive?

Hon. Michael Fortier: It concerned the scope of the work. There were a lot of works to coordinate and execute, as you know. It focused more on the macroproject of what there was to do: how members and senators were going to leave the precincts, move out and come back at some point.

Hon. Denis Coderre: Were you told about certain contracts in particular? For example, were you informed that, in the case of the West Block, they had to change contract criteria? Were you involved in that?

Hon. Michael Fortier: Not at all.

Hon. Denis Coderre: I assume your political advisor at the time was Bernard Côté?

Hon. Michael Fortier: He was one of my advisors. **Hon. Denis Coderre:** What was his role with you?

Hon. Michael Fortier: Mr. Côté was settled in Montreal and mainly handled Montreal files. That was my political responsibility as regional minister responsible for Montreal; so that was his main occupation.

Hon. Denis Coderre: Is it possible that Mr. Côté received people at that time who wanted to do business with Ottawa, particularly with the Department of Public Works and Government Services?

Hon. Michael Fortier: No. That wasn't in fact the instruction. However, as you know, there are grey areas. Some people want to meet the minister responsible for the Montreal region because they have projects, and those may involve the machinery of government.

Hon. Denis Coderre: To your knowledge, did Mr. Varin meet Mr. Côté?

Hon. Michael Fortier: I know now because I read it in the newspapers, but I had no knowledge of that at the time.

Hon. Denis Coderre: Did Mr. Côté meet Mr. Sauvé?

Hon. Michael Fortier: I don't know.

Hon. Denis Coderre: Mr. Côté didn't report to you on the people ne met?

Hon. Michael Fortier: Look, that was a few years ago. I don't want to avoid the question, but if he met him, that didn't get back to me because that wasn't a file he considered important to submit to my attention.

Hon. Denis Coderre: As minister responsible for Montreal, did you have to attend your party's cocktail fundraisers?

Hon. Michael Fortier: To tell you the truth, I went to some, but not a lot.

Hon. Denis Coderre: Was Mr. Varin at those fundraisers?

Hon. Michael Fortier: I absolutely don't know, Mr. Coderre. I didn't know Mr. Varin. As you know, I haven't been a Conservative Party supporter for very long, and Mr. Varin was active in the party at another time. He is not someone I saw or knew. He might have come to a fundraiser where I was the guest minister. However, I don't believe he attended the fundraisers that were organized for me, for my own fundraising drives.

Hon. Denis Coderre: Did Mr. Sauvé attend your fundraisers when you were a candidate in Vaudreuil—Soulanges?

Hon. Michael Fortier: Look, if Mr. Sauvé attended them, I don't believe he donated money during my campaigns. So if he attended, he did so without being a donor.

Hon. Denis Coderre: Did Mr. Padulo take part in your fundraising activities?

Hon. Michael Fortier: I don't know who Mr. Padulo is.

Hon. Denis Coderre: Tell me a little about your past at Crédit Suisse. Did you take part in the sale of the L'Unique group?

Hon. Michael Fortier: No, not me.

Hon. Denis Coderre: What was your role at Crédit Suisse?

Hon. Michael Fortier: I was responsible for financing activities for large businesses in Quebec from 1999 to 2004.

Hon. Denis Coderre: And your role was... That was Crédit Suisse First Boston, wasn't it?

Hon. Michael Fortier: Yes, it was called Credit Suisse First Boston. The name has changed. So I was responsible for activities involving what's called investment banking, mainly in Quebec. I was slightly involved in activities in the Maritimes, but my main playground was Quebec.

(0850)

Hon. Denis Coderre: If it was for large businesses, it was also for purchases or sales, wasn't it?

Hon. Michael Fortier: Yes, it was for public and private market financing, and the purchase and sale of businesses.

Hon. Denis Coderre: Were you involved in the L'Unique group file?

Hon. Michael Fortier: No.

Hon. Denis Coderre: Did you know that the L'Unique group belonged to Crédit Suisse at the time before it was sold in 2004? Did you know that?

Hon. Michael Fortier: No.

Hon. Denis Coderre: Let's go back to Mr. Côté. Did you have any knowledge of relations between Mr. Côté and Mr. Pichet, who was the assistant to Senator Pierre Claude Nolin?

Hon. Michael Fortier: You want to know if I knew that they knew each other? Of course, since they had been party supporters for a long time.

Hon. Denis Coderre: Did Mr. Pichet talk to you about files relating to PWGSC?

Hon. Michael Fortier: No.

Hon. Denis Coderre: No assistant of a government minister or senator told you it would be a good idea for you to take a look at such and such a file?

Hon. Michael Fortier: Are you talking about the building repoyations?

Hon. Denis Coderre: I'm talking about renovations in general, among other things.

Hon. Michael Fortier: In general, members came to see me from time to time to report an irregularity, an incident. For example, a company established in their constituency that had not obtained a

contract was complaining that it had been awarded in a suspicious or dubious manner. However, no one solicited me when I was here to have a contract awarded to a corporation against the rules established by the Department of Public Works and Government Services.

Hon. Denis Coderre: Did you have any knowledge of any misappropriations? Did anyone tell you to watch out for any irregularities in the renovations file?

Hon. Michael Fortier: Not at all.

Hon. Denis Coderre: At no time did anyone raise a flag?

Hon. Michael Fortier: Never.

Hon. Denis Coderre: No one came to see you to say that the Hells Angels might have infiltrated in such and such a contract?

Hon. Michael Fortier: No.

Hon. Denis Coderre: No one, no member or senator's assistant came to see you to tell you something was fishy about a particular file?

Hon. Michael Fortier: No.

Hon. Denis Coderre: Were you also involved in files concerning the sale of lands or the leasing of government buildings?

Hon. Michael Fortier: Are you talking about the sale of government buildings?

Hon. Denis Coderre: Yes.

Hon. Michael Fortier: Of course, that was done when I was minister.

Hon. Denis Coderre: Were you involved, for example, in leases between leasing companies for government buildings?

Hon. Michael Fortier: When you say "involved", do you mean "involved as minister"?

Hon. Denis Coderre: Were you aware of that? Were you briefed?

Hon. Michael Fortier: Of course, I was briefed by the Real Property Branch on our public buildings portfolio and our lease portfolio. At the time, half of our employees were in locations that we leased. So there were regular meetings on the portfolio of leases that linked us to private businesses across the country so that we could house our employees.

Hon. Denis Coderre: With everything you know, do you think one of your assistants went behind your back when you were minister of Public Works and Government Services. I am thinking of Mr. Côté in particular.

Hon. Michael Fortier: No, I don't believe so.

Hon. Denis Coderre: In that case, why was he dismissed?

Hon. Michael Fortier: Mr. Côté left in the wake of revelations of his relationship with Ms. Couillard. Mr. Côté knows very well that I would have liked him to tell me that since it was important at the time for that to be known to the minister.

Hon. Denis Coderre: Thank you.

[English]

The Chair: Thank you, Mr. Coderre. Thank you, Mr. Fortier.

Before I turn it over to Madame Bourgeois, Mr. Calkins would wish me to point out that the food and drinks at the back of the room are for the exclusive use of the members. Thank you.

[Translation]

Ms. Bourgeois, you have eight minutes.

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Thank you, Mr. Chairman.

Good morning, Mr. Fortier. Thank you for being here.

This morning, we are trying to shed light on certain allegations. Your time at the Department of Public Works and Government Services is extremely important. You were in your position from February 6, 2006 to June 24, 2008. It is important to point out that you were in your position for two consecutive years.

Mr. Fortier, you said earlier that you had attended a few cocktail fundraisers with contractors when you were minister. That leads me to ask you one question: are you familiar with that restaurant, the Mas des Oliviers?

• (0855)

Hon. Michael Fortier: No, I don't believe I've ever been there. That's not to take anything away from that restaurant. I don't mean to judge it from a gastronomical standpoint, but I've never been there.

Ms. Diane Bourgeois: All right. Did you know that certain contractors who won contracts from your department made contributions to your party while you were minister of Public Works and Government Services? Were you aware of that?

Hon. Michael Fortier: No.

Ms. Diane Bourgeois: You were never told that the senior officers of the Pomerleau company, which won \$100 million worth of federal contracts, paid \$11,000 to the constituency associations of three Conservative ministers of that time, including \$3,200 to the constituency of Vaudreuil—Soulanges? That was between 2007 and 2009. Do you know the officers of the Pomerleau company?

Hon. Michael Fortier: Of course I know them.

Ms. Diane Bourgeois: You weren't aware that those people had paid the constituency of Vaudreuil—Soulanges \$3,000?

Hon. Michael Fortier: No. Since you've looked into donations that were intended for me, you may have noticed that I received a lot when I was trying to get elected in the riding of Vaudreuil—Soulanges. As you no doubt know, I was unable to get elected. Many people made contributions, which is permitted under the act.

As to whether I was aware that people making contributions to the party—to my fund or those of others—had obtained contracts, the answer is no. There is no system through which I could have been informed of that. There is a system in Canada that enables people to make contributions up to a certain amount. If they do so, that's in the context of the act. So it isn't brought to the minister's attention.

Ms. Diane Bourgeois: All right. We all know now that your assistant at the time, Bernard Côté, had lunch with Mr. Paul Sauvé. At the last minute, the latter obtained a contract which was amended. Did Bernard Côté tell you about that lunch at the time?

Hon. Michael Fortier: No.

Ms. Diane Bourgeois: He never told you about Mr. Sauvé?

Hon. Michael Fortier: I believe I met him once at the event associated with the renovations of St. James United Church. That was the day of the incident at Dawson College. I was at the church with him on the evening in question since he had been the contractor for that work. I don't believe I have seen him again since that time.

Ms. Diane Bourgeois: Don't you think it was unusual for your assistant at that time to go and eat with a contractor who won a contract from the government in the following months?

Hon. Michael Fortier: I would find that situation unusual if the conversation had focused on the way for that person to win a contract. You of course know that, Ms. Bourgeois. These people may know each other. I don't know; I don't know the story linking those two individuals. You have heard from Mr. Sauvé and you will be hearing from him again. You can ask him the question.

Ms. Diane Bourgeois: And yet Mr. Côté was your closest assistant. You should have known his background. I get the impression he pretty much did what he wanted in your office. Am I mistaken?

Hon. Michael Fortier: That's false. You should also question Mr. Côté if you haven't already done so. You're asking whether I should have known that he had eaten with Mr. Sauvé. Under the parameters of the rules I had set in my office, it was clear that, as minister of Public Works and Government Services, I was not at all involved in the awarding of contracts or in offering advice on that matter. Mr. Côté operated within the limits of those parameters for the two years when he worked with me. If he ate with Mr. Sauvé, I don't know what they talked about.

Ms. Diane Bourgeois: All right.

Hon. Michael Fortier: I wasn't informed of that.

Ms. Diane Bourgeois: Did you know Senator Nolin when you became a senator?

Hon. Michael Fortier: Yes.

Ms. Diane Bourgeois: You no doubt knew his assistant, Mr. Pichet.

Hon. Michael Fortier: No, I didn't know him. **Ms. Diane Bourgeois:** You never met Mr. Pichet?

Hon. Michael Fortier: I may have seen him, but he's not someone I knew.

Ms. Diane Bourgeois: All right.

Hon. Michael Fortier: As I told Mr. Coderre earlier, I didn't work a lot for the Conservative Party before coming to Ottawa. These aren't people I knew.

• (0900)

Ms. Diane Bourgeois: As I said earlier, you were minister from February 2006 until June 24, 2008. LM Sauvé won the contract to renovate the Parliament buildings on May 30, 2008 by submitting a bid that was nearly \$2 million lower than those of the other bidders. Were you aware that LM Sauvé had won the contract?

Hon. Michael Fortier: Not at all.

Ms. Diane Bourgeois: No one told you about it?

Hon. Michael Fortier: Ms. Bourgeois, I know you know the answer, but I'm going to give it to you anyway. You know very well that, given the number of contracts awarded every year by the Department of Public Works and Government Services, the minister is not informed of each one. In fact, he is informed of virtually no awards.

Ms. Diane Bourgeois: Who in your office was responsible for following up that type of contract?

Hon. Michael Fortier: What type of contract are you talking about?

Ms. Diane Bourgeois: I'm talking about renovation contracts. We know that there were those sale-leasebacks that we talk so much about.

Hon. Michael Fortier: Yes, you and I have often talked about that.

Ms. Diane Bourgeois: That's one component.

Hon. Michael Fortier: I see you've got your smile back because you weren't smiling at the time.

Ms. Diane Bourgeois: You weren't smiling either, sir.

Hon. Michael Fortier: Yes, I was smiling.

Ms. Diane Bourgeois: It has to be said that, at the time, your office had to show that it was really beneficial for Canadian citizens.

Hon. Michael Fortier: Did we convince you after two years?

Ms. Diane Bourgeois: I wasn't at all convinced

Hon. Michael Fortier: I see.

Ms. Diane Bourgeois: We know that the next witness, Mr. Broccolini, profits from sale-leasebacks, that is to say he profits from federal government leases.

Hon. Michael Fortier: He doesn't buy the buildings, as you very well know.

Ms. Diane Bourgeois: However, in Mr. Sauvé's case, someone in your office was definitely responsible for that type of contract, or in any case for telling you about it, for giving you information—

Hon. Michael Fortier: No, not at all.

Ms. Diane Bourgeois: —on the renovation of government buildings.

Hon. Michael Fortier: With regard to the renovation, employees in the minister's office provided liaison with the department.

Ms. Diane Bourgeois: All right.

Hon. Michael Fortier: They were informed by the department, but not for a contract of that size, unless there was an important aspect. That may be the case when it's thought that someone will challenge it because there may have been contract irregularities, as I said earlier. Otherwise, we weren't informed.

No one in my office had a business card reading, "Vice-President, Parliament Hill Renovation Contracts". No such position exists.

Ms. Diane Bourgeois: Mr. Marshall, who was deputy minister of Public Works and Government Services at the time, recently told the Public Service Labour Relations Board that you had previously intervened in the awarding of contracts. We know about the sale-leaseback issue and how RBC became a party to the contracts when the committee had selected BMO at the time. You remember that.

Mr. Marshall said that the minister had intervened because he wanted RBC to be involved as well. That's what's stated in the board documents.

Now that we know a minister can intervene to favour or bring in other players or other parties to the contract, do you think the current minister might have intervened to have LM Sauvé's contract amended and to enable that contractor to win the West Block renovation contract?

[English]

The Chair: Mr. Fortier, unfortunately Madame Bourgeois has run through the clock.

Hon. Michael Fortier: Can I answer? It's pretty important.

The Chair: Give a very brief answer, and then we'll go to Monsieur Gourde.

Hon. Michael Fortier: I'll give a brief answer.

[Translation]

I'm going to give a brief answer to the second part: no, the minister did not intervene.

As for the first part concerning the sale of the buildings, you know very well that I didn't intervene in the contract award. When we issued the RFP, we had planned to be able to retain one or two banks. That means that there could perhaps have been two banks. The first bank on the list that the deputy minister himself had established, the one that was ranked first place when people submitted bids, was BMO. RBC was second. It could have been the National Bank of Canada or the Caisse populaire Desjardins. I wanted there to be two banks, and we reserved the right to have two banks. The deputy minister agreed with me.

So it is false to claim—and you very well know this—that I interfered in the contract.

Thank you, Mr. Chairman.

[English]

The Chair: Thank you, Monsieur Fortier.

Just before I turn it over to Monsieur Gourde, I'd ask members, toward the end of their questioning, to look towards the chair. Otherwise I end up having to interrupt members.

[Translation]

Mr. Gourde, you have eight minutes.

Mr. Jacques Gourde (Lotbinière—Chutes-de-la-Chaudière, CPC): Thank you, Mr. Chairman.

Thank you for being here today, Mr. Fortier.

When you were minister of Public Works and Government Services, the Government of Canada passed the Federal Accountability Act. Did that change working procedures within the department? Was there a review? What did the implementation of that act mean for you?

Hon. Michael Fortier: Of course, the act concerned not only our department, but the entire public service as well. I arrived at Public Works and Government Services Canada following Justice Gomery's inquiry and everything that followed it. As you will understand, the atmosphere in the department was not optimistic or positive.

Together with Mr. Marshall, who was deputy minister at the time, I clearly established that my team and I were not interested in managing contracts, but that we were there to help macromanage the department, with regard to both real property, as I discussed with Ms. Bourgeois, and how to save money. So we set parameters from the outset, which I believe comforted the department's senior management.

• (0905)

Mr. Jacques Gourde: We heard here from senior officials of Public Works and Government Services Canada, who clearly said that there was no interference in the awarding of contracts. When you were minister, you received briefings and were given explanations and recommendations.

However, there is no window where you can recommend a contractor. It's more of a process.

Hon. Michael Fortier: No, it was absolutely out of the question for me to get involved in the awarding of contracts—and I imagine, I hope, and I know that that will be the case for others who follow me, even in other governments. There are more than 10,000 trained employees in the Department of Public Works and Government Services. There are processes, a public system on the Internet called MERX, where people can see exactly what opportunities are available to them, if they are in one industry or another. All that is managed in complete isolation from the minister's office, as moreover should be the case.

Mr. Jacques Gourde: You were able to observe the professionalism of employees at Public Works and Government Services Canada in that process. You worked with them and you were able to see that a competent job was done.

Hon. Michael Fortier: Yes. Those people are very competent. As you know, Mr. Gourde, they deal with thousands of contracts every year. We don't think about it, but there are all those who win contracts and all those who don't. So a lot of those people are dissatisfied and want explanations. There are post-award conferences where those who have failed in their attempt are given an explanation of the reasons. There is really a rigorous contract award process both upstream and downstream.

When I arrived in the department and saw that there was a system that I thought was rigorous enough, as I told you, I was very much comforted by that.

Mr. Jacques Gourde: We're talking about the buildings on Parliament Hill. We know you were briefed about all the major challenges involved in restoring the buildings on the Hill.

Did you note any specific points relating to those challenges? Were there priorities for certain buildings? It was no doubt recommended to you—

Hon. Michael Fortier: What struck me was the logistics. When you renovate a building, you have to evacuate it, of course, and rehouse people. Then they have to be brought back. Staff came and

went. The department had leased space for everyone to be rehoused. At one point, there were refit plans even at the House of Commons.

So it's really a colossal plan. You have to see it to realize how impressive its scope is. In addition, its execution will have to be spread over a number of years, as you know all too well because you've been living here for a number of years. It's not something you can do in a few years.

So, in response to your question, I would say that what struck me was the scope of the work that had to be done.

Mr. Jacques Gourde: So a number of segments of contracts will be awarded over a number of years. It definitely isn't a comprehensive contract; everything will—perhaps—be separated in the process.

Hon. Michael Fortier: I haven't been there for two years. However, the plan was to move ahead in stages, as I explained to you, for obvious logistical reasons.

Mr. Jacques Gourde: Unless I'm mistaken, when you were at Public Works and Government Services Canada, you witnessed the professionalism surrounding the awarding of contracts, whether it be on Parliament Hill or elsewhere. All the processes put in place show that there is no interference and that the system works well.

Hon. Michael Fortier: Yes.

Mr. Jacques Gourde: Thank you, that's enough for me. [*English*]

The Vice-Chair (Mr. Chris Warkentin (Peace River, CPC)): There are a few more minutes, if anybody else has questions.

Mr. Holder

Mr. Ed Holder (London West, CPC): Thank you.

I'd like to thank our guests for attending.

It's been a curious line of questioning thus far from some members around the table, asking you, Mr. Fortier, who had lunch with whom; what did they say when you weren't there; why did you not know what you didn't know; why did you not know if they were there when you weren't there; what did they say when you weren't there to hear. I find that quite bizarre, but I appreciate your responses. I find them refreshing.

I guess I need to ask a couple of questions, if you'd allow me, because I'm trying to understand.

In your role as minister, was your influence ever bought?

• (0910)

Hon. Michael Fortier: Sorry, was I what?

Mr. Ed Holder: Was your influence ever bought-

Hon. Michael Fortier: No.

Mr. Ed Holder: —to direct a contract—

Hon. Michael Fortier: No.

Mr. Ed Holder: —to award a contract—

Hon. Michael Fortier: No.

Mr. Ed Holder: —or to suggest to others that they should direct a contract to be placed?

Hon. Michael Fortier: No.

Mr. Ed Holder: You know, my Cape Breton mom always said that you have two things in your life: your name and your integrity.

This is a very sincere question. Sometimes we ask people to swear on the Bible for their testimony. Would you swear on your family name that you always acted with the highest integrity in your dealings as minister?

Hon. Michael Fortier: Well, although I appreciate what you're asking me—and don't take this the wrong way—I'm somewhat insulted that I feel I should even have to do this.

Mr. Ed Holder: I apologize.

Hon. Michael Fortier: But yes, I do swear.

You obviously remember the circumstances under which I came into politics; it was sort of an accident, if you want. I thought, and still believe, that given my professional background as a banker and as a businessperson, the match at Public Works actually was a good one, to be fairly honest with you. I think if you asked the people that I work with over there, they would say objectively that we were a good match. I let them do their job; I did mine, but I was aware of what was going on. We had a two-way dialogue.

I think the best example is how we executed the real estate transaction. We worked hand in hand with the department and we executed, I think, as I said, a very good transaction for taxpayers and demonstrated that a minister can work with the department in a productive way.

The Chair: Thank you, Mr. Holder.

Mr. Martin, you have eight minutes. If you would, toward the end of your eight minutes, look toward the chair, I'd appreciate it.

Mr. Pat Martin (Winnipeg Centre, NDP): Oh, I'll watch you, absolutely.

The Chair: Thank you.

Mr. Pat Martin: Mr. Fortier, you're here really because the restoration of our beloved West Block has turned into a multi-billion dollar fiasco, and this isn't the only project undertaken during your watch where we're still mopping up. There seems to be a pattern of meddling and tampering and allegations of political interference on some of the most major files that you were associated with.

We're here to talk about the West Block fiasco, first of all, but how can you not see the impropriety, or at least the appearance of conflict, when Sauvé pays a well-connected Conservative lobbyist \$140,000 and then conveniently runs into Nolin's assistant in a restaurant over lunch, and, shortly after, the contract is amended so profoundly that only Sauvé could win the job?

If we don't connect the dots there, as MPs we're not doing our job, because this has all the appearances of impropriety, and frankly, no one can believe.... And we're left with the results. We have the tangible problem to cope with now because of the way it was handled and—I would say with all due respect—mismanaged, or worse, under your watch.

There's a second thing I'd like to ask about. We had to learn through a labour relations tribunal about the two bureaucrats you fired. You forced Mr. Tipple to allow RBC, your current employer, to get this contract regarding the sale of the buildings, and then you fired these two guys because Tipple saw you talking to Byers and was about to turn you in, or at least report this. All of a sudden, they get fired. The courts have called this a sham and a travesty and have given them millions of dollars in settlement. So frankly, you're costing us a lot of money, Mr. Fortier, even long after your brief tenure as a senator is over.

The third thing I'd like to draw your attention to is today's *Ottawa Citizen* and this massive front-page story talking all about this huge IT contract, which you steered away from this man—who was probably the front-runner—and steered toward CGI, with whom you had a business relationship. The minister himself, the public works minister, was connected to CGI.

Frankly, your brief tenure as public works minister is just riddled with really inappropriate behaviour, and because you were in the Senate, we couldn't drag you before this committee to ask you these questions. I wonder why the Prime Minister, if he wanted a special representative from Montreal in his cabinet, did not just invite you into his cabinet, the way they invited Stéphane Dion into that cabinet. You don't have to be an MP to be a cabinet minister, but they stuffed you in the Senate where we couldn't get at you. So we do appreciate your being here today, but it's been terribly frustrating, as the oversight committee for the Department of Public Works, to have a public works minister who's hiding behind the red chamber.

So what do you have to say about—

The Chair: Yes, Mr. Warkentin.

• (0915)

Mr. Chris Warkentin: On a point of order, Mr. Chair, I hate to interrupt, but I think as a point of clarification, just because it may expedite your questioning, Mr. Martin—through you, Mr. Chair—Mr. Fortier, when he was the minister, came to this committee regularly as minister, and so we never had any problem getting him before our committee.

The Chair: That's a point of clarification rather than a point of order.

Mr. Martin, do you wish to continue?

Mr. Pat Martin: I do.

We've learned a lot from David Rotor and Doug Tipple now that they had to go to a labour relations tribunal to fight their wrongful dismissal. We believe they were silenced because they are whistle-blowers. They told of a disturbing pattern about how your office was operating, especially in the context of the BMO and the RBC. That cost us a fortune too. Why didn't the low bidder get that job? Why did you intervene to make sure that the RBC got their piece of that pie?

The Chair: Mr. Fortier.

Hon. Michael Fortier: Well, there were a lot of questions in this and many statements, most of which the MP wouldn't dare make outside of Parliament.

Mr. Pat Martin: Don't threaten me—

Hon. Michael Fortier: You know that very well.

Mr. Pat Martin: —with that kind of talk, Mr. Fortier.

Hon. Michael Fortier: Let's go at them one by one, starting from the back.

First of all, I thank the MP for reminding everybody that I had been here. Clearly you don't understand the Constitution, because if you did, you'd understand that a senator can actually be in cabinet, which I was for over two and a half years.

Mr. Pat Martin: Of course he can.

Hon. Michael Fortier: Second of all, with respect to the sale of the buildings, you suggested that I fired two individuals. Again, if you understood the first thing about the executive power in being a minister, you'd understand the only employees a minister has, Mr. Martin, are the employees in his office. None of the employees of a department, nor consultants, which these two individuals were, report to the minister. They report to the deputy minister, who is basically the CEO of the department and decides everything that relates to their employment. The minister doesn't do that, as you well know.

As I indicated to Madame Bourgeois-

Mr. Pat Martin: A minister shouldn't be chatting with the director of the bids, either.

Hon. Michael Fortier: Mr. Chair, can I-

Mr. Pat Martin: Mr. Rotor testified in his tribunal that he reported to the legal department that you were chatting with Byers while Byers was the bidder—a well-connected Tory, by the way, Mr. Byers, representing BMO.

How inappropriate is that for the minister himself to be chatting to the director of the bid in a competition over the sale of public assets?

Hon. Michael Fortier: Mr. Martin, let me finish. I'll answer your questions, and then I'm sure you'll have more questions for me.

As I indicated to Madame Bourgeois, the RFP that went out provided that we could hire up to two banks. The reason the deputy and I wanted to keep that as an option, Mr. Martin, is we knew the transaction would be north of \$1.5 billion to \$1.6 billion. It is very common in these types of transactions, Mr. Martin, for companies or governments to hire in more than one bank—very common.

The deputy minister had a committee—on which I did not, obviously, sit—that met all of the banks interested in working for the government and ranked them from one to.... I don't know how many showed up at this pitch. It was one to something. One was BMO, two was RBC, and I don't know who the others were.

We had kept the ability, we wanted to have that room, to have two banks, so we chose two banks, Mr. Marshall and I. This was not done in order to give RBC or BMO a leg-up. They had won the right to be one and two during the pitches they had done in front of this committee set up by the deputy, Mr. Martin.

Mr. Pat Martin: You took the low bid and the high bid, and you averaged them out and divvied it up between the two.

Hon. Michael Fortier: No, that's not the way.... Seriously, Mr. Martin, you have this wrong. This was a pitch to the department, Mr.

Marshall and his committee, in terms of how they would approach the project, how they would execute the project.

Remember, we were selling up to nine buildings, and the department needed to know that these banks had the ability to go out there and seek buyers and get the best price for taxpayers.

• (0920)

Mr. Pat Martin: Well, we didn't get the best price, because you awarded this work to RBC when they weren't in the running. That's our information, Mr. Fortier.

Hon. Michael Fortier: No, Mr. Martin, you've got this upside

The Chair: Mr. Martin, you're pretty well out of time.

Mr. Fortier, a brief response.

Hon. Michael Fortier: Listen, it would take us too long if I had to explain to Mr. Martin every time how the process was set up.

Basically, we were trying to find buyers for the building. There were more than 15 buyers, if not 20, who came in for the lot. So for Mr. Martin to suggest that we went with the highest bidder, yes, we actually sold it to the highest bidder. This is how an auction works. You get the highest bidder to pay for the buildings.

The Chair: Thank you, Mr. Fortier.

Mr. Regan.

Hon. Geoff Regan (Halifax West, Lib.): Thank you, Mr. Chairman.

Mr. Fortier, what do you do now?

Hon. Michael Fortier: I'm a vice-chair at RBC Capital Markets.

Hon. Geoff Regan: Were you at all involved in contract attribution for the renovations or other matters?

Hon. Michael Fortier: I'm sorry, I didn't hear you.

Hon. Geoff Regan: Were you at all involved in contract attribution during your time as minister?

Hon. Michael Fortier: No.

Hon. Geoff Regan: But you have said that you made the decision, as minister, to basically divulge the best offer, in the case just discussed with Mr. Martin, to a second bidder.

Hon. Michael Fortier: No, it wasn't a bidder. These were banks that wanted to advise the government. They'd been ranked by the deputy from one to ten, let's say. I don't know how many banks pitched, but let's say ten banks pitched. So they were ranked one to ten, and we decided that we were going to take two banks.

Hon. Geoff Regan: Why didn't you have confidence that BMO could do the job?

Hon. Michael Fortier: No, I did have confidence.

Hon. Geoff Regan: So why did you decide that you had to have a second bank—RBC?

Hon. Michael Fortier: Because this was a very large assignment, a very significant assignment, one of the largest asset sales we've run in Canada, as you know, Mr. Regan, over the past 15 to 20 years.

Hon. Geoff Regan: But you said you had confidence in BMO. Why couldn't BMO do the whole thing? I mean, this is a pretty large organization.

Hon. Michael Fortier: We wanted two banks. We wanted two teams advising on the transaction. This was a complex matter, and as I said, this is very common in transactions of this nature and particularly given the amounts that are involved.

Hon. Geoff Regan: So you want us to believe that you were involved in that process, in changing the way that was being done, but that you weren't involved in the contract attribution in relation to the renovations?

Hon. Michael Fortier: Mr. Regan, you know very well I wasn't involved in changing anything. The process provided that we could hire up to two banks—up to two banks. We hired two banks.

Hon. Geoff Regan: You were the one who made the decision to move, really, from one bank to two.

Hon. Michael Fortier: Absolutely not: this was discussed with the deputy, and we discussed it together, and we decided that we wanted two banks.

Hon. Geoff Regan: Let's go back to the renovations. Do you remember why the criteria were changed at the last minute?

Hon. Michael Fortier: No.

Hon. Geoff Regan: How would a change like that be effected? Who would talk to whom for that to happen?

Hon. Michael Fortier: You'd have to ask the department. You're really reaching deep into the department in terms of how they deal with contracts and how they award contracts.

Hon. Geoff Regan: How long did you know Mr. Côté?

Hon. Michael Fortier: How long have I known him? Ten years.

Hon. Geoff Regan: Okay.

You've said that you did not know about his relationship with Madame Couillard, right?

Hon. Michael Fortier: That's correct.

Hon. Geoff Regan: Have you learned since then of other relationships he might have had that you didn't know about at the time and that were significant?

Hon. Michael Fortier: Since I've left politics, or ...?

Hon. Geoff Regan: Since you fired him.

Hon. Michael Fortier: Since he left? No, I'm not aware of any.

Hon. Geoff Regan: Do you know about any relationship that he or Mr. Hubert Pichet might have had with Gilles Varin?

Hon. Michael Fortier: No.

Hon. Geoff Regan: Did Mr. Côté or others of your staff often meet with contractors?

Hon. Michael Fortier: No.

Hon. Geoff Regan: How about lobbyists?

Hon. Michael Fortier: No.

Hon. Geoff Regan: Your staff didn't meet with lobbyists at all?

Hon. Michael Fortier: They were discouraged from it, and if they did, they were supposed to report it, so I don't think they met with lobbyists. I didn't meet with lobbyists, and so I don't think they met with lobbyists, to be honest.

Hon. Geoff Regan: So if an industry group, for instance in the province of Quebec or in the Montreal area, had a concern and wanted to talk to your office, they wouldn't be able to talk to them?

Hon. Michael Fortier: Well, if a museum of fine arts is planning renovations and they come by my office, are they lobbyists?

Hon. Geoff Regan: Let's say a company; oftentimes a company will hire a lobbyist, and they will come with the lobbyist and they—

Hon. Michael Fortier: No.

• (0925)

Hon. Geoff Regan: That didn't happen at all? It's a little hard to believe, frankly.

Hon. Michael Fortier: I didn't meet with lobbyists. Look at the register. They needed to report these meetings. I don't think there were any meetings with lobbyists reported.

Hon. Geoff Regan: Do you personally know Gilles Varin?

Hon. Michael Fortier: No.

Hon. Geoff Regan: You've never met him, as far as you know?

Hon. Michael Fortier: I don't think so.

Hon. Geoff Regan: How about Gilles Prud'Homme?

Hon. Michael Fortier: Gilles Prud'Homme? No.

Hon. Geoff Regan: Have you ever attended a fundraising cocktail or fundraising event organized around recipients of a specific set of government contracts?

Hon. Michael Fortier: No.

Hon. Geoff Regan: So when you were Minister of Public Works, you didn't have any of those kinds of cocktails?

Hon. Michael Fortier: Well, I had those in my riding, and I attended, I think, two—

Hon. Geoff Regan: No, I'm talking about the kind where they're organized around—

Hon. Michael Fortier: It's organized by somebody—

Hon. Geoff Regan: —a specific set of contracts, like the one with Mr. Paradis. We know that a bunch of contractors who were working on the renovations were—

Hon. Michael Fortier: I'm hesitating not because I know it for a fact, but I did speak at two or three. I was asked to speak at those, but I don't know who organized those.

Hon. Geoff Regan: How about the one ...?

My time is up.

The Chair: Thank you, Mr. Regan.

[Translation]

Mr. Lemay, you have five minutes.

Mr. Marc Lemay (Abitibi—Témiscamingue, BQ): Mr. Fortier, I'm listening to you, and it seems you set up a firewall between you, your team at the department when you were minister and departmental officials. I'm going to try to clarify that with you.

When you took up your position as minister, you were briefed on the works that had to be done. In that briefing, was the RFP procedure for contracts explained to you?

Hon. Michael Fortier: It wasn't done for the renovations on the Hill. One of the first briefings concerned the operation of MERX and how contracts are awarded. It focused on RFPs in general, but not specifically on those concerning Parliament Hill.

Mr. Marc Lemay: Why?

Hon. Michael Fortier: The first briefing concerns each of the classes of contracts that are awarded.

Mr. Marc Lemay: All right, but we are here for a purpose, so we're going to try to limit ourselves to the Hill.

You had a briefing, as we know. So you knew what was going to happen; you were informed about the moves, etc. Did anyone tell you about how they proceed when issuing RFPs? Did you ask any questions? Were you informed?

Hon. Michael Fortier: During a briefing, I generally ask questions and try to understand how things work.

Mr. Marc Lemay: Were you told that some red lights might go on and that you might be informed if contractors did not seem to be up to the mark?

Hon. Michael Fortier: I might have been told that.

Mr. Marc Lemay: I'm asking you the question: you don't know LM Sauvé?

Hon. Michael Fortier: I met Mr. Sauvé—

Mr. Marc Lemay: At St. James Church.

Hon. Michael Fortier: —at the ceremony, yes.

Mr. Marc Lemay: Things went well at St. James Church in Montreal. Did you know at that time that he had won a contract for the north tower here?

Hon. Michael Fortier: Not at all.

Mr. Marc Lemay: You didn't know that. Did he tell you about it?

Hon. Michael Fortier: Not at all.

Mr. Marc Lemay: Did alarm bells ring or a red light go on? Did someone in your department inform you when the contract was withdrawn from Mr. Sauvé?

Hon. Michael Fortier: Absolutely not. Mr. Lemay, I didn't even know that he had won it. You seem surprised, but I wasn't at all aware that that contract had been awarded, or any others.

Mr. Marc Lemay: So after the briefing, after you were informed about how things worked, you left that to the authorities in your department.

Hon. Michael Fortier: In fact, we're talking about the first briefing, which may have been in February, March or April 2006,

where it was explained to me how all that was going to work. We had an update briefing approximately every two months or so.

Mr. Marc Lemay: That's what I found interesting. So every two or three months, you had an update briefing to learn what was going on, what point matters had reached. I'm talking about the works on Parliament Hill; I'm not interested in knowing whether you did works in Restigouche. So there was an update briefing every two or three months to inform you about the works. Were you informed in one of those updates that LM Sauvé's contract was over because that contractor had not been up to scratch?

Hon. Michael Fortier: No.

Mr. Marc Lemay: Never, at any time?

Hon. Michael Fortier: No.

Mr. Marc Lemay: One other thing interests me. Like all members here, I believe, you have attended cocktail fundraisers. In your case, that was in the constituency of Vaudreuil—Soulanges, where you were a candidate. You know who attends these fundraisers because you have a list of attendees.

Hon. Michael Fortier: In fact, we don't see the list beforehand; we see it afterward, as well as the donations people have made.

Mr. Marc Lemay: So you have a list of donations and the people who attended the fundraiser.

Hon. Michael Fortier: Absolutely.

Mr. Marc Lemay: Do you focus on certain guests who have a business, such as Mr. Pomerleau, for example, from the Pomerleau company? Do you know what businesses the people who attend your fundraiser come from?

• (0930)

Hon. Michael Fortier: I do know that businessmen and women attended those fundraisers. A number also made donations without attending them.

Mr. Marc Lemay: All right. From February 6, 2006 to June 24, 2008, approximately how many fundraisers did you attend in your constituency? I'm talking about Vaudreuil—Soulanges, obviously.

Hon. Michael Fortier: I would say two, perhaps three.

Mr. Marc Lemay: Two or three?

Mr. Chairman, is my time up?

[English]

The Chair: You have 30 seconds.

[Translation]

Mr. Marc Lemay: Very well.

After each of the fundraisers, did you receive a list of attendees and the amounts of their contributions?

Hon. Michael Fortier: Afterwards, yes, that was disclosed as it should be under the act.

Mr. Marc Lemay: You never saw Mr. Pomerleau?

Hon. Michael Fortier: I didn't say I hadn't seen him; I'm telling you that that business donated the amount permitted under the act.

Mr. Marc Lemay: Did Mr. Sauvé attend your fundraiser?

Hon. Michael Fortier: I don't remember seeing his name on the list of donors.

Mr. Marc Lemay: Thank you.

[English]

The Chair: Thank you, Mr. Lemay.

Mr. Warkentin, for five minutes.

Mr. Chris Warkentin: Mr. Fortier, thank you so much for coming this morning. We do appreciate your attendance.

Have you ever been on a fishing expedition? **Hon. Michael Fortier:** On a fishing expedition?

Mr. Chris Warkentin: Yes.

Hon. Michael Fortier: Have I ever gone fishing? Yes.

Mr. Chris Warkentin: I have, in the literal sense—I have some friends who are avid fishers—and there's nothing more frustrating than being on a fishing expedition and not catching anything.

So you'll understand the frustration of the opposition today, because in fact they're on a fishing expedition and they're not catching anything. What we hear, again and again, from every witness that they bring forward and call to this table, is that there was professionalism within the department as it relates to this contract. Your testimony today reinforces the fact that the West Block contract was done under the professional guidance of the department. You've reinforced that today, so we see that they really are on a fishing expedition when they start to bring up issues that actually weren't even on the agenda today, and they start talking about the sale-leaseback.

You'll recall, a couple of years ago, when I was new to this committee, that we as a committee undertook a study of the sale-leaseback. I see that there's one member at this table who was here with me at that time, but I'll remind committee members what happened at that time. There have been some questions about these banks that were called in. In fact, there were two banks called in, but there were three external advisers that determined who these banks would be.

So we, as the committee on government operations and estimates, undertook a study for some time to ensure that there was no funny business as it relates to the contracting to these banks. We were actually assured and heard testimony that three external advisers to the minister actually made this decision. We as a committee, the committee that was incarnated at that time, were very satisfied that full due diligence was undertaken in the selection of that.

As it relates to the decision to sell these, there was an assessment done by yet a third bank, because it was important that two banks set the parameters, and then a bank that assessed the contract later on would ensure that, in fact, the taxpayer was getting best value for money. Deutsche Bank undertook that and actually praised you, Minister, in the work that your department had done in getting best value for the taxpayer.

We also know that this July, the Auditor General, having looked at this, determined that there was no reason—absolutely no reason—to even review this any further. She felt that there was, again, value for the taxpayer and that no rules had been broken, and that the best thing for Canadians had been undertaken during your time as minister, so we want to congratulate you for that, Mr. Fortier.

In terms of the scope of the contract at hand, and the reason that we're actually here today, there are a couple of things that you reinforced today, Mr. Fortier, and that was the testimony that we heard from a number of high-ranking officials within the public works department.

We did hear testimony from Public Works that there was actually a rationale; when these members opposite, Mr. Martin in particular, start talking about changes that were made to the contracting process, there were actually legitimate reasons for that. They actually described the changes that were made in terms of the scope of the work to the north towers, that the changes made actually were the same changes that were made to the contract as it related to the southeast tower, I believe. That was something that had been done some time before and they felt that they needed to make those changes, so that it better reflected the parameters that were given for the other one because that tower reconstruction had been quite successful.

Mr. Tom Ring actually stated, as it relates to the question of any political involvement in the pre-qualification of the LM Sauvé contract, that, no, there was no political involvement in that change. When asked if the minister, in fact, awarded the contract to LM Sauvé, he said that, no, the contract request was approved at the ADM level—again, reinforcing what you have said today.

Then further, we asked him if anyone from the minister's office was involved in the process. Tom Ring—for those of you who don't know who Mr. Ring is, he's the assistant deputy minister—said that, no, there had not been any political pressure from the minister's office.

• (0935)

The Chair: Mr. Warkentin, thank you for that five-minute discourse.

Mr. Coderre.

[Translation]

Hon. Denis Coderre: Thank you.

I wouldn't want to respond to my colleague Chris. If he's talking about a fishing expedition, it's like carp fishing: it's too easy. I'm going to ask Mr. Fortier some more relevant questions.

Mr. Fortier, are you familiar with the concept of ministerial responsibility?

Hon. Michael Fortier: Yes.

Hon. Denis Coderre: You know that you are responsible for the department, but that you are also responsible for everything that goes on in that department. Do you agree?

Hon. Michael Fortier: Absolutely.

Hon. Denis Coderre: Do you agree with me that Mr. Côté, your assistant, may have done things behind your back? Is that possible?

Hon. Michael Fortier: I don't want to attribute any intentions to him. Mr. Coderre, you're free to invite him to testify before the committee. So do that.

Hon. Denis Coderre: He has been your friend for 10 years. You have known him for 10 years. You dismissed him, and there should be a reason for that. There may be something else involved apart from the facts concerning Julie Couillard. That's why we're asking questions.

Hon. Michael Fortier: Tell me what your question is and I'll answer it.

Hon. Denis Coderre: Is it possible that he did something behind your back?

Hon. Michael Fortier: In what respect?

Hon. Denis Coderre: With respect to the renovations and so on.

Hon. Michael Fortier: I would be surprised and very disappointed if that were the case. You'd have to question him, but I don't see how a conversation with a person necessarily leads to a contract being awarded to that same person.

Hon. Denis Coderre: I'm going to tell you why. It's because, as minister, you had an important role to play in Montreal's future. This was a connection for your political party and the government. That's the first step.

At the time, you had a political minister for all of Quebec. That was Lawrence Cannon, I imagine. You discussed political matters. There were fundraisers. You were rightly working to get elected, and people came to meet you. I see two occasions, in 2005-2006 and in 2008. Important people supported you, in particular Pierre Karl Péladeau, which is interesting, and Réal Raymond. Here we're talking about Réal Raymond from the National Bank, I imagine?

Hon. Michael Fortier: Yes.

Hon. Denis Coderre: There's also Hubert T. Lacroix. He is the current president of CBC/Radio-Canada? Yes? That's interesting. You were well connected.

Mr. Fortier, there were also people from the financial sector. We may wonder whether people told you that major contracts were coming up and that they would like to do business with the government. People have previously told you that, haven't they?

Hon. Michael Fortier: Never.

Hon. Denis Coderre: No one ever—

Hon. Michael Fortier: Never, Mr. Coderre.

Hon. Denis Coderre: No one ever talked to you about that?

Hon. Michael Fortier: No one.

Hon. Denis Coderre: At the fundraisers, over a little piece of celery, someone said "Thanks for coming," and that was all?

Hon. Michael Fortier: Mr. Coderre, you know; you've done so many more of them than I have. With regard to your question on contracts, no one came to see me at a cocktail party, telling me that he was giving me money and that, in return, he was expecting... If someone had asked me that question, I would immediately have answered that it was out of the question.

Hon. Denis Coderre: Michel Gaucher, formerly of Ivanhoe and the Caisse de dépôt et placement du Québec, is a real property expert. If he came to see you, it would be normal to ask you some questions. I expected you to tell me that he had talked to you about that, that you had asked him not to bother you with it, that you wanted to know nothing about it, that that was not your role, that it was MERX... However, that's not the case. In response to my first questions, you said that you had had nothing to do with that, that you had had nothing to do with it. In response to the question from my colleague Mr. Lemay, you said you had received an update every two months.

• (0940)

Hon. Michael Fortier: Yes.

Hon. Denis Coderre: You were a political minister and you had a colleague who had been your assistant for 10 years. So you had a privileged relationship. It is normal to protect one's minister and for him to have told you that something was going on and that you had to pay attention to it. Perhaps he heard some things that made it necessary for him to protect you. In the context of all those contracts totalling \$5 billion and concerning the renovations to the House of Commons and Parliament buildings, you never heard that people were involved in that, that there might be problems and that red flags would be raised? No one ever told you anything?

Hon. Michael Fortier: No.

Hon. Denis Coderre: What were you told in the context of those updates? My friend mentioned officials, but most of them weren't there at the time. I'm relying on you, since you were there.

How do you explain why you were aware of nothing, why you were completely isolated? And yet you know that the first thing to do, both in order to orient yourself and under the Federal Accountability Act, is to ensure that no one has his hand in the cookie jar. And we're talking about large amounts here.

Hon. Michael Fortier: First, I never said I knew nothing. I'm talking about the award of that contract, Mr. Coderre. We may not be able to agree, but let's at least agree on the ground rules. The updates always concerned contract performance, the moving of employees, the buildings that were leased, lease problems, the fact that we thought we had four floors, but that we would only have three, what we were going to do with a group of members, and so on.

Hon. Denis Coderre: But no one talked to you about contracts that were not honoured?

Hon. Michael Fortier: No, not in the case of this one.

[English]

The Chair: Thank you, Mr. Fortier.

Mr. Warkentin.

Mr. Chris Warkentin: Well, thank you very much, Mr. Chair. Maybe I'll now have an opportunity to ask the questions.

I guess this would be one of my questions: do you have anything to add to this whole debate about the West Block renovation? Obviously, your answers today are absolutely consistent with those that we've heard before from people who either work within the department or people who have worked on this project or people who are remotely connected, some very tenuously, to this project.

Do you have any additional information as it relates to this, and the people who were contracted to do the work, that we haven't heard from other people? **Hon. Michael Fortier:** Listen, as I said, this was, and I suspect still is, a huge endeavour involving significant logistics. When I became minister, this project had already begun several years earlier. I was not the initiator of this. The work around the Hill had begun several ministers before me, and I suspect will continue several ministers after Ms. Ambrose, because the scope of the project is huge.

The minister gets a briefing on the scope of the project, but we don't dive, nor should we, into who the folks are who are going to work on the roof, and on who the guys are who are doing the cement work, and who's going to deliver the trees in front, and who's going to be providing furniture for the new buildings. This is just not the way it should be run. The department has qualified people to do that. If there is a problem, it will obviously be elevated to an ADM. If it's significant, it'll go up to the DM. And if the DM can't resolve it, he'll bring it to me.

But I don't remember us ever having a discussion around a particular contract that was causing grief to the department around the Hill renovations. It's not to say that the project itself wasn't an issue—it is, because it's huge—but there were no significant issues brought to my attention relating to one particular contract.

Mr. Chris Warkentin: Well, that's absolutely consistent with what we've heard from the department. The assistant deputy minister has made it absolutely clear that any decision as it relates to the contracting of the work on West Block was undertaken within the department and was undertaken at his level or below his level.

Hon. Michael Fortier: Yes, and I would add this. Monsieur Coderre says that all the people who were there then have since left—and I take you at your word—but I left, and I'm here today, so why don't you convene them and ask them? Maybe you should do that. Why not?

Mr. Chris Warkentin: I think he was maybe overstating or simplifying his...or making an assertion that is not necessarily backed up with what we've heard. There are people within the department who were there then.

Hon. Michael Fortier: Maybe I've thrown a wrench into the process here, I'm not quite sure. But if they've gone....

Mr. Chris Warkentin: Our committee is going to undertake its due diligence, Mr. Fortier, and we appreciate your coming to help us in doing that. I think we're nearing the end of our process in that we're running on fumes at this point, at least I think as it relates to the opposition's quest for some type of wrongdoing. It's clear to me that we're now running on fumes. My expectation is that soon the opposition will come out with a statement that, in fact, everything has been—

• (0945)

Hon. Denis Coderre: A point of order.

Mr. Chris Warkentin: —undertaken in an appropriate way, and I'm certain that they will now—

The Chair: Mr. Warkentin, one moment, please.

Monsieur Coderre.

[Translation]

Hon. Denis Coderre: Mr. Chairman, I believe it is appropriate for the chair to point out that members are here to do an entirely proper

job. Our role is to protect taxpayers. This is the Standing Committee on Government Operations and Estimates. I am very pleased to see that former Minister Fortier is here. We are asking questions and we have a right to do so. If we discover additional information along the way, so much the better. Whatever the case may be, he is not here to tell us that we are not doing our job and that we are wasting our time. No one is wasting time here.

[English]

The Chair: Thank you for that information, Mr. Coderre. That's not a point of order.

Mr. Warkentin.

Mr. Chris Warkentin: Yes, I appreciate that. I think we've said exactly the same thing, Mr. Chair, the member opposite and myself.

I thank Mr. Fortier for coming, because he adds another layer of credibility to this whole process. We do appreciate it. And I know that our committee will find that all the processes at the political level were absolutely done correctly and absolutely in accordance with what will be in the best interest of all taxpayers.

Thanks

The Chair: Thank you, Mr. Warkentin.

I'm going to invite Mr. Conacher—I don't see Mr. Broccolini here yet, but I understand he's in security—to come to the table while the next member, Madame Bourgeois, asks her questions. Then we'll ask Mr. Broccolini and Mr. Conacher for their statements, while Mr. Fortier stays.

Thank you.

[Translation]

Ms. Bourgeois, you have five minutes, please.

Ms. Diane Bourgeois: Thank you, Mr. Chairman.

I'm going to share my speaking time with my colleague Mr. Lemay.

Mr. Fortier, there are some things that I would very much like to understand. When you were minister of Public Works and Government Services, we invited you to this committee a number of times. Again this morning, I was rereading your opening remarks. You often spoke to us, among other things, about the renovation of the buildings on Parliament Hill. You said at the time that that was a concern of yours because those heritage buildings had to be restored.

As minister of Public Works and Government Services, you were ultimately responsible for the contracts awarded on behalf of the Government of Canada. Officials came to tell us that as well. Do you agree with that?

Hon. Michael Fortier: Of course, in the House, absolutely.

Ms. Diane Bourgeois: As you told us earlier, you regularly received updates every two or three months on progress made on the works, the awarding of contracts, costs, to determine whether the parameters originally set had been met. I imagine those were your updates or briefings.

Hon. Michael Fortier: Yes, those were updates. I could give you some details, if you wish.

Ms. Diane Bourgeois: Yes, briefly.

Hon. Michael Fortier: You start with a certain amount of momentum, but I want to tell you right away that we didn't go into the details of such and such another business.

Ms. Diane Bourgeois: Mr. Fortier, the government did business with a Montreal company, LM Sauvé, which had submitted a bid \$2 million lower than that of any other bidder. After the fact, we learned that that business had brought itself up to standard by relying on the Hells Angels. How is it that no one in your department was able to detect that? You were minister at the time. I remember that, on numerous occasions, you gave this committee guarantees that all security measures had been taken. However, we learned after the fact that LM Sauvé was doing business with the Hells Angels and subsequently that LM Sauvé was not solvent.

Where were you, Mr. Fortier, when you should have been occupying the role of minister responsible for Canadian and Quebec funds? As minister of Public Works and Government Services, you didn't see all that. What happened?

• (0950)

Hon. Michael Fortier: As regards that contract, I was not informed about it. If the winner of a contract, whether it be this one or another one, is unable to comply with the terms of the contract... You won't be surprised that that isn't the first time that a government supplier has not come up to the mark and has been replaced. However, this is one of those cases. It's unfortunate, and I acknowledge that just as you do. I sense you are outraged, so be it, but in fact that contract, the identity of the contractor, the very existence of that contract for the rebuilding of a roof, masonry, concrete, was not discussed with the minister.

Do you understand?

Ms. Diane Bourgeois: Yes, I understand, but that was millions of dollars.

Hon. Michael Fortier: You're wrong because the renovation of Parliament Hill represents billions of dollars.

Ms. Diane Bourgeois: That's even worse.

Hon. Michael Fortier: It represents billions of dollars. And we discuss how the work will be done from a macroeconomic standpoint, from a logistical standpoint.

I relied on the department. And you should rely on it because it's a very good department where excellent officials manage the mechanics of awarding each of the aspects of the contracts. Whether it be for a roof, masonry, ceramics or wood work, there are people in the department who handle RFPs.

Ms. Diane Bourgeois: In any case, we have some questions.

Hon. Michael Fortier: But you don't think the minister wakes up in the morning and manages 10,000 contracts.

Ms. Diane Bourgeois: You're ultimately responsible, minister, and you're unable to answer our questions.

Hon. Michael Fortier: Of course, that's not incompatible. Did you hear me tell you that I wasn't responsible?

Ms. Diane Bourgeois: No, but you seem to say no one is aware.

Hon. Michael Fortier: I told you I was responsible, and I am here today to say so.

The Chair: Ms. Bourgeois, your time is up.

[English]

Hon. Michael Fortier: Chair, if you don't mind, I'd like to finish my answer.

[Translation]

You asked me-

[English]

The Chair: Monsieur Fortier, you will have another hour to finish your complete answer.

We've been joined by Mr. Conacher and Mr. Broccolini, and Mr. Fortier has agreed to stay for another hour.

Hon. Michael Fortier: Have I? The Chair: Yes, you have. Hon. Michael Fortier: Oh.

The Chair: It was very generous of you.

Voices: Oh, oh!

The Chair: I thank you for that.

I'm going to ask Mr. Conacher and Mr. Broccolini for their opening statements, if they have any. Normally when we suspend we would restart the questioning list, or we can continue on with the questioning list. My proposal would be a restart, but unless I see a contrary opinion, we'll start the list over again after the statements of Mr. Conacher and Mr. Broccolini.

That's fine? Okay.

So it's Mr. Conacher, and then Mr. Broccolini, for up to 10 minutes. Thank you.

Mr. Duff Conacher (Coordinator, Democracy Watch): Thank you very much, Chair, and members of the committee for this opportunity today to speak to you.

My name is Duff Conacher. I'm the coordinator of Democracy Watch and also the chairperson of the Government Ethics Coalition, which is made up of more than 30 organizations from across the country, representing more than three million Canadians in total membership. As well, Democracy Watch coordinates the Open Government Coalition and the Money in Politics Coalition, also multi-member group coalitions with groups from across the country.

For more than 10 years Democracy Watch has been pushing for changes to close systemic loopholes in the rules in many good government laws, and that is what I'm going to talk with you about today: the loopholes that Democracy Watch sees revealed by this and similar situations that have arisen recently.

I'm only going to be able to sketch out the loopholes, and I apologize in advance. As I was away for personal reasons all last week, I was not able to prepare a brief, but I'm happy to provide details to the clerk and researchers for the committee of the actual sections in laws that I'll be talking about concerning this overall situation and similar situations.

[Translation]

There are also a lot of technical terms, and as I still need to improve my French, I will give my evidence in English.

[English]

I will say that, overall, there are many, many loopholes in key good government laws that allow such situations to arise and also questions to arise about these situations. Until these loopholes are closed, you will see these kinds of situations continue to arise.

In other words, the system is the scandal, and until the system is cleaned up, you will continue to see these kinds of questionable situations arise far too frequently.

I'll start by summarizing the loopholes. First of all, within the contracting policy of Treasury Board, section 8.2.1 states that the minister "customarily delegates contracting authority" to public servants, but they're not required to do so. So it's actually legal for ministers to be intervening in the contracting process under the Treasury Board policy itself.

When you combine that with the very vague notion of what ministerial responsibility is and where the lines are drawn between what ministers do, what staff do, and what public servants do—and there are questions right now concerning staff even testifying before committees about their actions, which is another situation that remains unresolved—you have a very vague situation concerning responsibility, and, beyond responsibility, actual accountability for what happens in contracting processes because the decision-making is legally mixed between the minister, ministerial staff, and public servants.

When you combine that with an Access to Information Act that does not allow you access in many cases to the documents that would track a paper trail of a contracting process, because of loopholes in the Access to Information Act that allow secrecy in this area, you have a situation where it is very easy for a minister to be involved in the contracting process and yet escape responsibility or accountability in any way.

Beyond that, under the Conflict of Interest Act, ministers are allowed to be involved in situations, even if they have a private financial interest in the situation, as long as the matter that is being dealt with is a matter of general application. It could be argued that an RFP, because it's generally aimed at a bunch of different companies, during that whole time period is a situation that is a matter of general application. It doesn't involve a specific company yet because bids haven't been received. Even when bids are received, they're received from more than one company, so even then it could be viewed as a matter of general application.

The Conflict of Interest Commissioner, although she's been on the job now for almost three and a half years, has not defined what general application means. It's a huge loophole in the Conflict of Interest Act. You cannot be in a conflict of interest as a cabinet minister when you are dealing with any matter that's of general application, even if you have a personal financial interest in that matter. That is a gigantic loophole.

I'll come back to another aspect with regard to cabinet ministers.

When you turn to the Lobbying Act, it is legal to lobby without registering. It is legal if you are not paid to lobby. So if you have a lobbyist who is paid by a company, that lobbyist can simply claim they were paid to give advice to the company and that they did the lobbying for free, as a volunteer. It's a very simple arrangement for anyone to do, and then you do not have to register. Or you can say, "Oh, yes, I was paid, but I was paid as an employee". If you're paid as an employee to lobby the federal government, an employee of a for-profit corporation, you do not have to register if you do not lobby more than 20% of your time. Every six months is how it's counted, so you can lobby for 34 days, eight hours a day, full time, and not have to register as a lobbyist.

So you can even be paid and you don't have to do the "Oh, I was giving advice and lobbying for free"; you can say, "Oh, yes, I was paid to lobby, but I lobbied 19.9% of my time".

● (0955)

As well, I would just mention—it's an unrelated loophole, but it's also a giant loophole—that you do not have to register if you were lobbying about the enforcement of a law or an inspection or administration of a law or a regulation or a policy or code. That's just another loophole that doesn't really apply to this particular situation that's arisen.

So secret lobbying is legal. In terms of cabinet ministers, there was a code brought in by Prime Minister Chrétien to prohibit cabinet ministers—sort of—from raising funds and soliciting funds, especially from entities in which they had dealings as a cabinet minister. now, this was just a code; it was the Prime Minister's code. It wasn't ever enforced at all. It was enforced by the Prime Minister himself, who didn't really have an interest in finding any of his cabinet ministers guilty of violating this code.

Apparently there's now a new code that Prime Minister Harper has issued that we still haven't seen. It's secret. These rules are not in the Conflict of Interest Act, and they should be, because that code by Prime Minister Harper is, again, enforced by him, and the rules, again, aren't even made public yet, so we don't know where the lines are.

The real controversy that Democracy Watch sees arising from contractors attending a fundraising event is not that they attended the event and donated a nominal sum, because the political finance donation limits are fairly good now—not as low as they should be, but fairly low. The real question about that situation is who invited them to come to those fundraising events? Was it the minister or ministerial staff soliciting those donations? If so, then, of course, any entity that would be dealing with a minister who receives an invitation, the not-so-subtle message would be, come and make the donation or you're not going to get any further with this minister. That's why Chrétien outlawed it—again, sort of, as it wasn't enforced—and that's why it needs to be put in the Conflict of Interest Act, again, as the Ethics Commissioner has actually recommended.

Finally, we need to have a safeguard in place that's a front-line safeguard and also the end safeguard that you need, and that's effective whistle-blower protection. Currently the system is not strong enough. Not everyone's protected. For example, political staff are not protected, nor are suppliers or contractors protected under the whistle-blower protection act. It's only directed at public servants, not even all of them. So suppliers, political staff, and contractors are not protected. Even if they see wrongdoing from retaliation, they can't complain under the system and receive protection from the system.

When you add up all of these loopholes, you see that all of the players have very vague rules and can escape accountability and responsibility, can act in secret, and actually can act unethically. It's not surprising at all that these situations arise and they'll continue to arise and you'll continue to have these unclear situations about whether anyone's guilty of any wrongdoing as long as these loopholes exist in the rules, the enforcement's weak, and you have an overall situation of secrecy.

I welcome your questions.

● (1000)

The Chair: That's ten minutes exactly.

Mr. Broccolini, do you have an opening statement?

Mr. Joseph Broccolini (Vice-President, Montreal, Broccolini Construction Inc.): My name is Joseph Broccolini. I'm VP of Broccolini Construction, founded in 1949 by my dad. It's a third-generation general contracting and real estate development company.

I'm here because I was asked to be here. We have absolutely nothing to hide. I'm open to all of your questions.

The Chair: Thank you, Mr. Broccolini.

Mr. Regan, for eight minutes, please.

Hon. Geoff Regan: Thank you very much, Mr. Chairman.

Mr. Conacher, you talked about a loophole in the case of a general competition or an RFP whereby—I think you were saying this—it would be possible for a minister to be able to politically interfere in the awarding of a contract and then actually come before a committee and say, no, I had no involvement.

Is that what you're saying, and could you explain that?

Mr. Duff Conacher: Certainly. The contracting policy of Treasury Board states, in section 8.2.1, that the minister "customarily delegates contracting authority" to public servants, but it doesn't say he's required to do so. When you combine that with the Conflict of Interest Act, allowing ministers to intervene in matters of general application...and, again, we don't know what that means, because the Ethics Commissioner has not drawn that line. Obviously it's a line in the sand that can be blown away very easily, and anyone can define it however they want. We think an RFP going out to many companies is a matter of general application, not as general as a law that applies to a ton of different companies, but still fairly general.

Tell me, where are the lines of cabinet minister responsibility and accountability versus what their staff do versus what senior public servants do? I don't see anywhere, in any law, where those lines are very clear. It's a wide open situation in terms of being involved and

then denying that the involvement was improper or that this amounts to something the minister is responsible for if the staff did it on behalf of the minister.

• (1005)

Hon. Geoff Regan: Thank you very much.

Minister Fortier, in relation to your involvement or non-involvement in contracts and so forth—we talked already about the \$9-billion sale of buildings and your decision in relation to BMO and RBC—let me ask you about the case of Mr. David Rotor, who filed a statement of claim against the government. The government has since settled the lawsuit.

In his claim he alleged that he received a call in August of 2006 from Rick Byers, a well-connected Conservative fundraiser and friend of yours, according to this story from the Canadian Press, who was in the middle of BMO's winning bid on a massive government real estate sell-off. Byers reassured Rotor that he had just spoken with Minister Fortier. Apparently Mr. Rotor blew the whistle on this and ended up getting fired, and now the government has settled the claim.

What do you have to say about this?

Hon. Michael Fortier: I say that I suggest to you that you bring all these people here. I have nothing to say about this. These are allegations by a person about a conversation he had with another person. If you want to ascertain whether the conversation took place, I would suggest you invite them to appear.

Hon. Geoff Regan: Well, if the claim said that Byers assured Rotor that he'd just had a conversation with you, is that the truth?

Hon. Michael Fortier: That is not true. But again, I would suggest to you that you bring them here and ask those questions. Mr. Rotor made those—

Hon. Geoff Regan: We may do that. But do you know Mr. Byers?

Hon. Michael Fortier: Yes, I do.

Hon. Geoff Regan: And how do you know him?

Hon. Michael Fortier: We are colleagues, going back to 1998 when I ran for the Progressive Conservative leadership. We have known each other over the years, both of us having worked in the banking industry.

Hon. Geoff Regan: You ran for the Progressive Conservative leadership in 1998.

Hon. Michael Fortier: I did indeed.

Hon. Geoff Regan: Did you also run for the Canadian Alliance?

Hon. Michael Fortier: I did not.

Hon. Geoff Regan: No. Okay.

You were, of course, the hand-picked man in Montreal for Mr. Harper, as a minister—

Hon. Michael Fortier: The "hand-picked man in Montreal for Mr. Harper": that's a way of putting it.

Hon. Geoff Regan: Well, he appointed you to the Senate and made you a minister for Montreal, essentially. You were a fundraiser for him in his own leadership campaign.

Hon. Michael Fortier: No, I was not.

Hon. Geoff Regan: No?

Hon. Michael Fortier: Absolutely not.

Hon. Geoff Regan: All right.And you ran for election in 2008.Hon. Michael Fortier: That's correct.

Hon. Geoff Regan: Of course.

There have been media reports suggesting that while you were minister there was a pattern of interference in contracts and RFPs. You're suggesting these are not true, but some of these reports suggest meddling and manipulating Public Works contracts involving everything from real estate to IT work to Hill renovations.

Did you have the Prime Minister's blessing in terms of the work that you were doing?

Hon. Michael Fortier: With respect to those allegations that you've brought up yet again, I will tell you that I did not get involved in awarding contracts. I think if you were to question current or past senior executives of the department, they would so confirm to you.

Hon. Geoff Regan: Did you attend the infamous fundraiser in 2009 at a Montreal restaurant called Da Enrico?

Hon. Michael Fortier: No.

Hon. Geoff Regan: Did you collect money from any Quebec construction firms for your own organization or association locally, for the Conservative Party, or for Mr. Harper?

Hon. Michael Fortier: Did I collect money, or did I raise money, for my own...?

Hon. Geoff Regan: For any of those three, yes.

Hon. Michael Fortier: For my own riding, there were people raising money for me, yes.

Hon. Geoff Regan: From construction firms?

Hon. Michael Fortier: Well, you have the list in front of you. Some of them are from that industry, just as there are some from many other industries. Monsieur Coderre recited a few.

Hon. Geoff Regan: Okay.

Mr. Coderre has some questions, Mr. Chairman.

[Translation]

Hon. Denis Coderre: And the people from those companies never talked to you about contracts?

Hon. Michael Fortier: No.

Hon. Denis Coderre: So, how did a fundraiser go with you?

Hon. Michael Fortier: A cocktail fundraiser?

Hon. Denis Coderre: People showed up, you didn't speak to them, you collected the money, and then thank you, goodnight?

Hon. Michael Fortier: No, no. There was a speech about what the government was doing and about what I was doing in Montreal. It ended like that.

Hon. Denis Coderre: All right.

Mr. Broccolini, thank you for being here. I know this must not necessarily be easy for you.

Do you know Minister Fortier, who is sitting beside you?

Mr. Joseph Broccolini: Personally, no.

Hon. Denis Coderre: Have you previously met him in his capacity as minister?

Mr. Joseph Broccolini: No.

• (1010)

Hon. Denis Coderre: You attended the cocktail fundraiser at the Da Enrico restaurant in January 2009, didn't you?

Mr. Joseph Broccolini: Yes.

Hon. Denis Coderre: Who invited you?

Mr. Joseph Broccolini: Mr. Ricardo Padulo, the owner.

Hon. Denis Coderre: So it was the owner who invited you to go. Why did he invite you? Because he is a Conservative and he is your friend; is that it?

Mr. Joseph Broccolini: He's not even a friend; he's only an acquaintance. He invited me because he thought it was a good idea for me to be there with Minister Paradis.

Hon. Denis Coderre: In your mind, in paying that amount, you had the impression that you had the opportunity to send certain messages, I suppose. I'm not talking about contracts.

Mr. Joseph Broccolini: I wanted to send him a message because I wasn't pleased with the process of the first RFP.

Hon. Denis Coderre: So you felt that someone had fiddled with the process and that you had been put off in the awarded contracts. Is that it?

Mr. Joseph Broccolini: I don't know whether anyone fiddled with the process. I know we responded to a call for tenders.

That started in June 2007, with a Request for Information, followed by a Request for Qualification, to which we responded. We had the highest score, 83%. We didn't know who the other bidders were, but we got the highest result. That was followed by a Request for Proposal and we submitted our bid in September 2008. We were the sole bidder. Our bid was opened publicly.

Hon. Denis Coderre: Again.

Mr. Joseph Broccolini: Then—

Hon. Denis Coderre: I'm out of time, Mr. Broccolini, but I'm going to ask you other questions later.

[English]

The Chair: Thank you, Mr. Broccolini.

[Translation]

Mr. Lemay, you have eight minutes, please.

Mr. Marc Lemay: I will probably be sharing my allotted time with Ms. Bourgeois because I have a few questions to ask Mr. Fortier.

Earlier we were talking about updates, you and I, so we'll try to continue a little on that subject.

Who gave those updates every two or three months and who was there?

Hon. Michael Fortier: It was the head of the department's real property division.

Mr. Marc Lemay: During the relevant period, obviously—you were there from 2006 to 2008—who was that?

Hon. Michael Fortier: From memory, it was Tim McGrath. A team supported him because the department's real property division is enormous. As regards that aspect of real property, he had colleagues, but their names escape me. However, he was not all alone. There were three or four of them.

Mr. Marc Lemay: All right.

When you were briefed on the subject, was it explained to you where the works stood? Was it also explained to you where the RFPs stood and how that was going?

Hon. Michael Fortier: No, there wasn't really any talk about the RFPs.

It was explained to us, for example, that we had been told three months earlier that we had to lease so many square feet in order to rehouse the MPs, and we were told whether we had managed to do so or not. We were also told that we hoped to move the offices on such and such a date rather than another date, that the amounts necessary would be of such an order of magnitude or another or that we were meeting the budget.

So it depended on the briefing.

Mr. Marc Lemay: All right.

At that point, when you received that information, with who did you share it?

If you saw that there was a problem, with whom did you share it?

Hon. Michael Fortier: With no one.

Someone from my office here in Ottawa attended the briefings, which were always given in Ottawa.

Mr. Marc Lemay: The briefings were always given in Ottawa.

Was Mr. Côté present?

Hon. Michael Fortier: No, not at all.

Mr. Marc Lemay: Who was the person from your office?

Hon. Michael Fortier: It was either my chief of staff or one of the assistants who had been assigned to the real property issue. Was it Neil Brodie or my chief of staff himself? I don't remember.

Mr. Marc Lemay: Who was your chief of staff during that time?

Hon. Michael Fortier: I had two during that time.

I had Mr. Loiselle and Mr. Claude... Oh, he won't be pleased.

Mr. Marc Lemay: No, he won't be pleased if you forget his name.

Hon. Michael Fortier: His name is Claude.

Mr. Marc Lemay: It's Claude something.

However, Mr. Loiselle was regularly at your side during that time.

Hon. Michael Fortier: Yes.

Mr. Marc Lemay: All right.

When they gave you that information, did they tell you about the works on Parliament Hill, specifically the north tower

Hon. Michael Fortier: No.

Mr. Marc Lemay: Never, at any time?

Hon. Michael Fortier: The north tower?

Mr. Marc Lemay: I'm talking about the North Block, north of... Pardon me, it's the West Block.

Hon. Michael Fortier: The north tower, frankly, doesn't ring a bell.

Mr. Marc Lemay: I should have said I was talking about the north tower of the West Block.

Hon. Michael Fortier: So with regard to the West Block, it's yes.

Mr. Marc Lemay: Did they tell you how the work was progressing?

Hon. Michael Fortier: Yes, they briefed me about progress on the work, generally. However, they didn't talk about the various components of the RFPs or the corporations that were interested or not interested in it.

• (1015)

Mr. Marc Lemay: No, I'm not interested in that.

I'm interested in knowing whether you were told of any problems, whether you were told whether timetables were being met and, if not, whether you were told what would be done to rectify the situation.

Hon. Michael Fortier: Yes, they had plan Bs.

In some respects, the timetables were going to be extended because I don't remember that we had any problems finding rental space to rehouse people who are here. So that slowed us down. That's one of the big problems we were facing, as I remember it.

Mr. Marc Lemay: I'm going to hand over to my colleague.

[English]

The Chair: You have four minutes.

[Translation]

Ms. Diane Bourgeois: Thank you, Mr. Chairman.

Mr. Broccolini, I followed what you were saying with considerable interest, but you didn't finish. You talked about your complaints, about what had troubled you about the awarding of the contracts. Could you go back to what you told us a little earlier?

Mr. Joseph Broccolini: In fact, there was an initial RFP in which our bid was made public and in which everyone saw our price. At that point, we thought we had one the contract, but it was subsequently cancelled in writing. We hired lawyers to sue the minister because it was a public RFP in which we had complied with all the regulations. We did not know why the contract had been cancelled.

Ms. Diane Bourgeois: In what year did that happen? Was it 2007?

Mr. Joseph Broccolini: It started in 2007, but our first bid dated back to September 30, 2008.

Ms. Diane Bourgeois: That's extremely interesting. At that time, you weren't the only business that had had that kind of relationship with PWGSC. In particular, our NDP colleague spoke earlier about what happened with another business. Allow me to come back to that a little later.

Did you discuss your dissatisfaction with Minister Paradis?

Mr. Joseph Broccolini: I wanted to know whether he was aware of the file.

Ms. Diane Bourgeois: The file hasn't yet been resolved, has it?

Mr. Joseph Broccolini: Yes, the file has been resolved because there was a second RFP in which we were the lowest bidder.

Ms. Diane Bourgeois: So you ultimately won the contract.

Mr. Joseph Broccolini: Yes, that was the second time.

Ms. Diane Bourgeois: You wanted to know whether the minister was aware of that. What was his answer? Did he tell you he was aware of the situation?

Mr. Joseph Broccolini: He told me he wasn't aware.

Ms. Diane Bourgeois: Do you often attend cocktail fundraisers?

Mr. Joseph Broccolini: That was the first and last time.

Ms. Diane Bourgeois: Who contacted you for you to attend the fundraiser? A little earlier you told us it was the restaurant owner, didn't you?

Mr. Joseph Broccolini: Yes.

Ms. Diane Bourgeois: Do you believe you won a number of contracts from the Government of Canada because you subsequently expressed your dissatisfaction? In fact, in recent years, you have won government contracts worth more than \$650 million. Are my figures correct?

Mr. Joseph Broccolini: I don't know where you got those figures. I would definitely like to have \$650 million.

Ms. Diane Bourgeois: I was told that, in 2010, you won the contract for the building at 22 Eddy Street, which is leased to PWGSC for 25 years. Is that correct?

I was also told that, in 2010 as well, you received a contract for the building at 455 Boulevard de la Carrière, which will also be leased to PWGSC at a cost of \$213.5 million. You won a lot of contracts from the Government of Canada like those ones.

Mr. Joseph Broccolini: Those are two contracts with PWGSC. The annual rent of the building at 22 Eddy Street is \$11.7 million a year.

Ms. Diane Bourgeois: Is that why you attended that fundraiser with Minister Paradis? Was that one way of thanking the minister? [*English*]

The Chair: Thank you very much.

[Translation]

Mr. Joseph Broccolini: That wasn't the case at all, because the bid took place afterwards.

• (1020)

Ms. Diane Bourgeois: Thank you, Mr. Broccolini.

[English]

The Chair: Thank you, Mr. Broccolini.

Mr. Calandra, you have eight minutes.

Mr. Paul Calandra (Oak Ridges—Markham, CPC): Thank you, Mr. Chair.

Mr. Conacher, I'd like to learn a little bit more about your organization if I can. How many members do you have and how are you funded—Democracy Watch specifically?

Mr. Duff Conacher: Democracy Watch has about 1,000 members and we're funded by individual donations. In the four nationwide coalitions that we coordinate, we have 140 or so organizations, total, in those four coalitions, and several of them donate to the group.

Mr. Paul Calandra: Sorry, my comment was specific to Democracy Watch, because that's who you're representing today, right? It is Democracy Watch, I'm assuming.

So it's a thousand members and you're funded by individual donation. What's the maximum donation that individuals can give to your organization?

Mr. Duff Conacher: There is no maximum, but on average our donations are about \$200 per person.

Mr. Paul Calandra: If someone gave you \$1,500, would that change your opinion on something?

Mr. Duff Conacher: No, because it would be-

Mr. Paul Calandra: How about \$2,000?

Mr. Duff Conacher: Well, it depends on the mix of donations that you have coming in total.

Mr. Paul Calandra: So depending on the size of the donation, your opinion would change on an issue?

Mr. Duff Conacher: Well, it would obviously have more influence if it was 100% of your donation for that period of time, annually.

Mr. Paul Calandra: What is the largest donation that you've received?

Mr. Duff Conacher: That Democracy Watch has ever received?

Mr. Paul Calandra: Yes.

Mr. Duff Conacher: It would be \$6,000.

Mr. Paul Calandra: Okay.

Specific to the topic at hand, do you have any information with respect to any one of the bidder's qualifications to do work on the West Block?

Mr. Duff Conacher: No, as I mentioned when I—

Mr. Paul Calandra: How about with respect to the architects' finding that the building was in dramatic need of repair and they were extraordinarily surprised at the deterioration of the West Block? Can you provide me with any expert analysis on the architects'—

Mr. Duff Conacher: No, as I mentioned in my initial remarks, I am here today to talk about loopholes in the laws that allow situations to arise that raise lots of questions that are very difficult to resolve.

Mr. Paul Calandra: I appreciate that, because we're actually talking about the renovation of the building as opposed to other aspects. But since you can't provide any expert testimony with respect to the topic we're actually talking about today, then let me ask you this. With respect to the Federal Accountability Act, how does that act compare to other jurisdictions around the world, and how does that compare to all previous measures in previous governments?

Mr. Duff Conacher: Well, of course it depends, given that it changed about a dozen laws in dozens of ways, on which particular law you're talking about. Overall, the Accountability Act took 29 steps forward in terms of changing the ethics rules, political donations rules, access to information, whistle-blower protection, but there were also seven steps backwards, mainly in terms of the Conflict of Interest Act and rules being removed from it that existed in the old conflict of interest code.

In total, it's a net positive of 22 changes in terms of accountability, but as I mentioned, there are many, many loopholes still open: enforcement problems that mean questionable situations can arise and the questions really can't be resolved in terms of accountability and responsibility.

● (1025)

Mr. Paul Calandra: Have you compared our Accountability Act with other comparable jurisdictions around the world?

Mr. Duff Conacher: It's been mainly with the provinces, and in some cases with other jurisdictions.

Our lobbying disclosure is good, but it still obviously has loopholes, which I mentioned—whistle-blower protection is far worse than the U.S. system, for example. Conflict of interest rules are about the same, when you compare them to provinces and other jurisdictions. But again, there are the huge key loopholes that I mentioned, mainly the missing apparent conflict of interest rule that used to be in the code.

Then, I think parliamentary democracies around the world are grappling with this issue of ministerial responsibility and accountability versus staff being responsible, and who's responsible for what, depending on who takes what action. I think that's an issue in parliamentary democracies around the world that remains to be defined and cleaned up.

With regard to the Access to Information Act, we're about the same as other jurisdictions, but the U.K. and the U.S. are somewhat better.

Mr. Paul Calandra: I'm going to interrupt you for a second, and I'll probably get back to you.

Mr. Broccolini, you had mentioned how you were a bit discouraged with respect to one of the contracts. Do you do other work for the federal government?

Mr. Joseph Broccolini: With the federal government....

Mr. Paul Calandra: With Public Works?
Mr. Joseph Broccolini: Public Works, no.

Mr. Paul Calandra: Do you have any other contracts, at all, that you've bid on and that you've been successful on?

Mr. Joseph Broccolini: We were successful with Export Development Canada.

Mr. Paul Calandra: Could you tell me a bit about that?

Mr. Joseph Broccolini: It was a public bid, and the bids were opened privately. They had four or five bids. I don't know who they were

Mr. Paul Calandra: That process seemed to work out well?

Mr. Joseph Broccolini: They're happy. We're happy.

Mr. Paul Calandra: It was as you expected?

Mr. Joseph Broccolini: Yes. Mr. Paul Calandra: Okay.

Mr. Conacher, back to you. With respect to some of the changes that you're suggesting to the Accountability Act or the lobbying act, I think I've seen you in front of our ethics committee as well, and I don't know if I've received any background information after you have discussed it. Do you have any specific recommendations you can actually table with us with respect to some of the rules you would like to see changed or tightened up?

Mr. Duff Conacher: Yes, I can do that. As I mentioned, I was away last week when I received the invitation to appear before the committee. That's why I haven't had an opportunity to prepare a brief that would set out the specific sections that need to be changed, but I'm happy to do so.

Mr. Paul Calandra: Thank you.

Mr. Fortier, one of the things I found when I was elected, when I came here in 2008, was truly the deterioration of the West Block. It was something that was very troubling. I hadn't been here for a number of years, and to see the dramatic deterioration of the property was something that I was completely surprised at and staggered by. I guess that's more of a comment.

When we started this exercise, I was somewhat critical. But having heard how the department is actually undertaking the process of awarding the contracts and the professionalism of the officials in the department, I can say that I'm a bit more at ease.

What I want to know, if you can answer this, is what kind of priority was the restoration of the West Block given within the department?

The Chair: Very briefly, Mr. Fortier.

Hon. Michael Fortier: It was given significant importance. As I said to your colleagues, I was briefed at least quarterly on where things stood. It was important because there were vast sums of money being spent on the renovation.

The Chair: Thank you.

Mr. Coderre, five minutes.

[Translation]

Hon. Denis Coderre: I have two brief questions for you, Mr. Fortier.

First, did I clearly hear you say earlier that Mr. Tim McGrath gave the briefings or updates that you had every two months? **Hon. Michael Fortier:** I think so. He's the one who was head of real property.

Hon. Denis Coderre: It's because, on October 26, I put a question to Pierre-Marc Mongeau, who is the big chief of that, and he said that Tim McGrath had nothing to do with it

Mr. Chairman, we're going to ask officials again to come and testify because something is going on here. If someone says, on the one hand, that Mr. McGrath was not the person responsible and, on the other hand, that he was there, people may be involved in a coverup and I want to know what's going on.

Second, Mr. Fortier, you were the minister responsible for Montreal. So you had a political tie with your political party, and that's normal. How can you tell me that you didn't know Gilles Prud'Homme, director of the Bourassa Conservative association?

Hon. Michael Fortier: I don't know him, Mr. Coderre. That tells you that I might not have been a good political minister, but he's not someone that I knew.

Hon. Denis Coderre: Humility is a sign of a man's greatness. Whatever the case may be, you had no meetings with any president of a constituency association in the greater Montreal area?

Hon. Michael Fortier: No, but it's interesting that you've pointed that out to me. I had one at the very start, and I intended to have them regularly. I gave a breakfast at the very start and that gentleman was not there. We didn't hold any others after that.

Hon. Denis Coderre: All right.

Mr. Broccolini, Mr. Padulo sold you a ticket to the fundraiser, obviously thinking that you would have the opportunity to meet the minister and to give him your view of the situation. At that time, Mr. Fortier was the minister responsible for the bids in which you took part.

When you were angry, did you try to contact the minister's office? Earlier you told me that you didn't know him and that you hadn't met him. However, did you try to speak to a few individuals in his office? Is Bernard Côté someone you know?

● (1030)

Mr. Joseph Broccolini: I don't know Bernard Côté. In my case, it wasn't Minister Fortier. It was Minister Paradis at the time.

Hon. Denis Coderre: But Mr. Fortier was minister in 2007.

Mr. Joseph Broccolini: It was Minister Paradis at the fundraiser.

Hon. Denis Coderre: So that means you had been angry since 2007? Didn't you get angry in 2009?

Hon. Michael Fortier: He got angry in 2008.

Mr. Joseph Broccolini: In 2008.

Hon. Denis Coderre: You got angry later; is that it?

Mr. Joseph Broccolini: Yes.

Hon. Denis Coderre: You weren't angry at the time.

Mr. Joseph Broccolini: In 2008, we submitted our first bid, on September 15.

Hon. Denis Coderre: I understand that. Mr. Broccolini, I also understand that the contract was reopened and finalized, and you

nevertheless won it. I'm talking about the one in 2007, which was in fact redone in 2008.

I also understand that you are angry because, not incidentally, you might have liked to bid on another contract in the Gatineau region, mightn't you? Could you tell me about that? Ultimately, you don't understand since there were two bidding processes. You didn't think there were any others, but you discovered that there was another one. As people already knew your prices and that bid corresponded to that, you would have liked to bid on that contract.

Does all that mean anything to you?

Mr. Joseph Broccolini: The bids were announced on MERX. So when the two projects came out at the same time, we were surprised.

Hon. Denis Coderre: You were surprised?

Mr. Joseph Broccolini: Yes, but we bid on both.

Hon. Denis Coderre: You're saying you also bid on the Gatineau contract?

Mr. Joseph Broccolini: Yes.

Hon. Denis Coderre: Did you sense that, since you had won the other two contracts, another contract had been opened so that the other bidder that thought it had won got a new contract? Could it be that, at one point, since you had won both bids, there was a split in order to award another contract, since you had not won it, to another bidder? Did you get that sense?

Mr. Joseph Broccolini: You're talking about the third contract?

Hon. Denis Coderre: Yes.

Mr. Joseph Broccolini: We weren't at all aware of the third contract. If we had been, we would have bid on that contract as well, and we might perhaps have won it.

Hon. Denis Coderre: Was that going on at the time of the fundraiser at Da Enrico restaurant? Did you subsequently know that, or were you aware of that when you met Minister Paradis at the fundraiser?

Mr. Joseph Broccolini: We didn't discuss a third or even a second contract. We just discussed 22 Eddy Street and our first bid dated September 15, which was subsequently cancelled.

Hon. Denis Coderre: But you were surprised that there was another contract?

Mr. Joseph Broccolini: A third? Yes.

Hon. Denis Coderre: All right.

The Chair: Ms. Bourgeois, go ahead for five minutes, please.

Ms. Diane Bourgeois: Thank you, Mr. Chairman.

First, I simply want to tell Mr. Conacher that I found his ideas for amending those loopholes in the act very interesting, particularly his ideas on protection for whistle-blowers, who incidentally have no protection.

Mr. Broccolini, I would like to get a clear understanding of one thing. You went to a fundraiser attended by Mr. Paradis. Did the idea that it was important to be there to discuss the problems that you had experienced with regard to the contract come from you, or did someone tell you to go so that you would have the opportunity to discuss it with Mr. Paradis, who would be there?

Mr. Joseph Broccolini: Mr. Padulo invited me to the fundraiser, but I don't know why. I didn't ask him why; he simply did it. I decided to go in order to talk to Mr. Paradis.

Ms. Diane Bourgeois: Have you known Mr. Padulo for a long time?

Mr. Joseph Broccolini: For 25 years. We go to his restaurant perhaps twice a year.

Ms. Diane Bourgeois: Did you know a lot of the people at the fundraiser? Were all those people in the construction industry?

(1035)

Mr. Joseph Broccolini: I knew no one else.

Ms. Diane Bourgeois: Did you pay \$500 out of your pocket, or did someone pay for you?

Mr. Joseph Broccolini: I paid out of my own pocket.

Ms. Diane Bourgeois: Have you previously done business with a lobbyist or any other person who might have exercised pressure in your favour on Public Works and Government Services Canada? Have you previously hired or contacted a lobbyist?

Mr. Joseph Broccolini: No.

Ms. Diane Bourgeois: Do you at times personally meet officials from Public Works and Government Services Canada to discuss needs that the government might have in the property rental field, for example?

Mr. Joseph Broccolini: For those two contracts, we simply met with Denis Charette to discuss the leases; that's all.

Ms. Diane Bourgeois: How does that work? You build buildings and you have a guarantee that the government will lease them from you for 25 years?

Mr. Joseph Broccolini: It will sign a lease for a 25-year period.

Ms. Diane Bourgeois: Is the lease signed as soon as you win the contract? Is there a risk the government may change its mind after the building is finished? Is that done immediately?

Mr. Joseph Broccolini: No, a lease is a contract. We bid. The risk that we run is with the construction.

Ms. Diane Bourgeois: Ultimately, the lease and the construction of the building represent two contracts.

Mr. Joseph Broccolini: No, there's a single contract: it's a lease.

Ms. Diane Bourgeois: Could you file with this committee the total value of the contracts that you signed with the government from 2000 to 2005 and the value of the contracts you have received from the government since 2005? Could you file that with the committee?

Mr. Joseph Broccolini: I can tell you the answer right now: it's zero.

Ms. Diane Bourgeois: You have had no contracts since 2010?

Mr. Joseph Broccolini: We have had contracts since 2010, but not before that.

Ms. Diane Bourgeois: Is it possible to have the value of your contracts from 2000 to 2010? It's not necessary to give us all the details. Is it possible to file with the committee the contracts you've won from the federal government since 2000?

Mr. Joseph Broccolini: For the building at 22 Eddy Street, the lease is \$11.7 million a year for 25 years. For the building at

455 boulevard de la Carrière, our lease with the government is \$8.530 million a year for 25 years.

Ms. Diane Bourgeois: Those are the last contracts?

Mr. Joseph Broccolini: Yes.

Ms. Diane Bourgeois: Before the Conservative government came to power, did you win any contracts from the federal government?

Mr. Joseph Broccolini: No.

Ms. Diane Bourgeois: You've never won a contract with the federal government in previous years?

Mr. Joseph Broccolini: No.

Ms. Diane Bourgeois: So it's simply the last two contracts that you won in 2010?

Mr. Joseph Broccolini: That was in 2007, 2008 and 2009.

Ms. Diane Bourgeois: Consequently, you started winning contracts from the federal government in 2007 and 2008, didn't you?

Mr. Joseph Broccolini: That's correct.

Ms. Diane Bourgeois: That's perfect; thank you very much.

[English]

The Chair: Thank you very much.

Mr. Warkentin.

Mr. Chris Warkentin: Thank you, Mr. Chair.

Mr. Broccolini, I appreciate your testimony. I'd like to follow up on what my honourable colleague was endeavouring to do. While I should not presuppose that I know what she was endeavouring to find out, my understanding is that you currently have two projects under way with the federal government, which you'll be working as a leaseback; you're building them currently and you'll be leasing them back to the federal government. Is that correct?

Mr. Joseph Broccolini: We have two contracts with Public Works to deliver two buildings, yes.

Mr. Chris Warkentin: Okay.

Obviously, the member opposite often talks about the necessity to bring more government buildings to Gatineau or to the Quebec side, and so I know that she'll congratulate the government for working with you on this project.

Can you give the scope of those two projects?

Mr. Joseph Broccolini: What do you mean by "scope"?

Mr. Chris Warkentin: Well, I mean the size of the-

Mr. Joseph Broccolini: They total approximately one million square feet.

Mr. Chris Warkentin: And the price tag?

Mr. Joseph Broccolini: It's a lease number. I just repeated it to Madame Bourgeois: \$11.7 million per year for 22 Eddy for a 25-year lease, and \$8.53 million for 455 de la Carrière for a 25-year lease.

Mr. Chris Warkentin: Okay.

Can you give us an approximate number of people who will be employed during the construction of these projects?

(1040)

Mr. Joseph Broccolini: I'd say several hundred.

Mr. Chris Warkentin: Do you have any sense as to the number of offices that will be located in each of these two independent towers? The reason I ask this is that it will give us some kind of idea as to how many people will be permanently employed in these buildings.

Mr. Joseph Broccolini: Do you mean, by Public Works?

Mr. Chris Warkentin: That's right.

Mr. Joseph Broccolini: I have no idea.

Mr. Chris Warkentin: Okay. But you said that the square footage was approximately—

Mr. Joseph Broccolini: One million square feet total.

Mr. Chris Warkentin: Okay. So it's one million square feet, and I believe the Public Works equation is that one person will be allocated 25 square feet, so you can estimate that thousands of people will be located at these buildings.

Mr. Joseph Broccolini: I can estimate that, yes.

Mr. Chris Warkentin: I appreciate that. And I think that's important for us.

We appreciate your coming here this morning, each one of you. I think your testimony has given us some more information, not necessarily as it was pertaining to the particular issue at hand, but clearly we've run out of questions on the issue at hand, and therefore we thank you for the additional information that you've given us on other issues as well. I appreciate it.

Mr. Broccolini, we commend you for your work and we look forward to the construction of these two towers. I know that my colleagues from Quebec will be commending the government for, first of all, creating construction jobs in this time of economic recession, and then obviously commending the government for ensuring that there will be civil servants located in the Gatineau region into the long term.

So thanks so much.

The Chair: Thank you, Mr. Warkentin.

Mr. Coderre, you have one minute.

[Translation]

Hon. Denis Coderre: Mr. Broccolini, I want us to get something straight. You bought a ticket from Mr. Padulo because that was one way of sending a message to Minister Paradis.

Since the competition for the two buildings was reopened—a competition that you in any case subsequently won—did you sense that someone was fiddling with the process? Why was the competition changed on two occasions?

Mr. Joseph Broccolini: I don't know. In my mind, the reason might have been that I was the only bidder for 22 Eddy Street. Perhaps the amount of the bid was too high. Why did the government go to a new request for proposals? I think it needed to do so for that building. I don't know.

Hon. Denis Coderre: Did you get the sense that it was because there were other interests? You won it in any case; you demonstrated your expertise and your professionalism. In spite of everything, not only was the competition reopened, but you discovered that there had been a third. If you had bid in that third competition with the figures... The government relied on your own figures. It's as though there was no commercial balance. That means that it used exactly the same figures as you had submitted and as a result of which you won.

Don't you find that odd? Don't you think the criteria were manipulated?

[English]

The Chair: Very briefly, Mr. Broccolini.

[Translation]

Mr. Joseph Broccolini: I don't know. The bids were public. The third bid wasn't public. I don't know why. It's a matter that is the responsibility of Public Works and Government Services Canada, not mine.

[English]

The Chair: Thank you, Mr. Coderre.

Thank you, Mr. Conacher, Mr. Broccolini, and, for two hours, Mr. Fortier.

Just as a point of information for colleagues, on the 25th we were scheduled to do a G-8/G-20 inquiry. Both witnesses are not available, and I'm proposing that we do supplementary estimates (B) on the 25th.

I think the other items that I have to deal with should really be dealt with in camera. We do not have the time, so I'm going to propose a subcommittee meeting fairly shortly.

Thank you again, witnesses, and thank you, colleagues.

The meeting is adjourned.



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