

## ORAL QUESTION—JULIE GREEN, MLA YELLOWKNIFE CENTRE

### QUESTION 236-18(2): SOLE SOURCE CONTRACTING

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June 16, 2016

**MS. GREEN:** Masi, Mr. Speaker. My questions today are for the Minister of Finance, Mr. Speaker. Anyone reading the government's report on contracts over \$5,000 will see that sole-source purchasing is sometimes for very large amounts of money. In a 2013-14 Department of Executive awarded a contract for \$457,000 for organization design services and another \$187,000 was awarded sole-source for hiring an Ottawa lobbying firm. So it would be interesting to know why the delay in these, in two service needs would have not have been known so far in advance that they would, that they could have planned ahead for a competitive process. So my question for the Minister is to ask him what kind of oversight, audit and challenge is applied to ensuring the requirements of urgency and unique source are met before the contract is awarded. Is there any oversight applied before the contract is awarded? Thank you.

**MR. SPEAKER:** Minister of Finance.

**HON. ROBERT MCLEOD:** Thank you, Mr. Speaker. Mr. Speaker, first of all, in the Members' statement, she makes some very strong comments and used very strong language. I think it's unfair to those within the government system that administer a lot of these contracts to hear such language. I can assure the Member and all Members that there is oversight and in this day and age, with all the checks and balances in place, that type of, if any of that type of activity went on, it would be detected quite early and it would be unacceptable. There is oversight. The sole-source negotiated contract was the change in the numbers was one that was well received by the business community and we had their support. Thank you, Mr. Speaker.

**MS. GREEN:** Mr. Speaker, my question again for the Minister of Finance is: what kind of oversight is provided in this area to ensure that these sole-sourced contracts meet the requirements of urgency and unique source of supply before they're awarded?

**HON. ROBERT MCLEOD:** Mr. Speaker, when they're going out for a sole-source contract, the policy states that if it was something that we had to do right away, then we would go to a sole-source contract. In the smaller communities, this is one that's well-received because the price for goods in a lot of smaller communities is \$5,000 and once it was raised to \$25,000, that gave them an opportunity to be able to land some of this work and not have to go to a public process or a tendering process, which for \$5,000 is a lot of work and a lot of administration. I can assure the Member that a lot of due diligence goes into these contracts before they're awarded.

**MS. GREEN:** Mr. Speaker, I'd like the Minister to tell us, what oversight is applied to ensuring the requirements of urgency and unique source of supply are applied to sole-source contracts before they are awarded.

**HON. ROBERT MCLEOD:** I would like to repeat the same answer I gave before that significant oversight goes into these contracts. It's just not one that they woke up this morning and decided they're going to award a sole-source contract today. There are requirements that need to be met. And if they meet the criteria, then sole-source contract could possibly be awarded.

**MR. SPEAKER:** Masi. Oral Questions. Member for Yellowknife Centre.

**MS. GREEN:** Masi, Mr. Speaker. Mr. Speaker, if the Minister answered my question I would stop asking it. But at this point, I have no detail on what kind of oversight is provided on sole-source contracts so that we know they meet the needs of urgency and unique source of supply. Masi, Mr. Speaker.

**QUESTION 245-18(2): PUBLIC REPORTING ON SOLE-SOURCE CONTRACTING**

**MS. GREEN:** Mahsi, Mr. Speaker. Mr. Speaker, my questions are for the Minister of Finance. I believe public confidence in oversight of the sole-source contracts might be improved if reports for the last two fiscal years, that's 2014-15 and 2015-16, were produced and posted to the website. Could the Minister make a commitment to produce these reports as soon as possible? Thank you.

**MR. SPEAKER:** Masi. Minister of Finance.

**HON. ROBERT MCLEOD:** Yes, thank you, Mr. Speaker. Mr. Speaker, my understanding is we produce those every year and I will make a commitment to the Member that we will share those. Thank you.

**MS. GREEN:** Mahsi, Mr. Speaker, and thank you to the finance Minister for that answer. I would just like to understand how and when this information will be shared. Mahsi.

**HON. ROBERT MCLEOD:** Yes, thank you, Mr. Chair. These are normally produced at the end of each fiscal year and I believe these reports are also tabled. I will confirm that and share that information with the Member. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Oral questions. Member for Yellowknife Centre.

**MS. GREEN:** Mahsi, Mr. Speaker. As I pointed out in my statement, with the increased purchasing amounts, these contracts may be of more interest to larger non-resident suppliers. And so I'm wondering what kind of change there'll be in this to the BIP Application to the sole-source so that we know that sole-source contracts go to Northern suppliers. Mahsi.

**HON. ROBERT MCLEOD:** Mr. Speaker, the Member is correct. You know, there will be more interest in a lot of these procurement processes because the amounts are available, but again it was encouragement we got from the business community. And BIP would still apply to these, and I can assure the Member and all Members that we take all steps necessary to ensure that our Northern-based businesses have a fair opportunity and a good opportunity to secure these contracts.