

MEMBER STATEMENT—JULIE GREEN, MLA YELLOWKNIFE CENTRE

SOLE SOURCE CONTRACTING

October 14, 2016

MS. GREEN: Mahsi, Mr. Speaker. Mr. Speaker, in February, the Finance Minister announced changes in the limits for granting sole-source contracts. To recap, sole-source contract limits were increased from \$5,000 to \$25,000, \$50,000, and \$100,000 for different categories of purchases. That means GNWT purchasers can spend up to these amounts without having to go to tender or a negotiated contract.

I spoke on these changes in the June session, and the Minister may remember I questioned him on what controls are in place to ensure there is diligent oversight of the awarding of these sole-source contracts. I didn't get the reassurance I was looking for from the Minister at that time. I also asked for the release of the 2015-16 Report on Contracts over \$5,000 and have yet to receive the promised report from the Minister, even though we're now six months on from the end of that fiscal year.

Judging from the upswing in sole-source spending between 2014 and 2015 year-end reports, there's good reason to be vigilant. In the 2015 end fiscal year, that is before greatly increasing the spending limits came into place, sole-source spending soared to \$90 million to 25 per cent of all contracts let, more than double the previous year.

Even more unsettling, the report reveals how some well-placed suppliers get major sole-source contracts again and again. For example, one former deputy minister received 22 sole-source contracts, totalling \$567,000. Another former DM got 10 contracts, worth \$242,000. Media has reported, and I can confirm, a former Premier received 15 sole-source contracts, totalling almost \$600,000 over the last eight years. A consultant in BC has received 22 sole-source contracts since 2011-12, totalling \$1 million. This is significant spending, Mr. Speaker, all awarded without the test of tender or negotiation to periodically determine whether the public is getting the best value for its tax money spent. And that was under the much more modest limits on sole-source spending. So, to go back to my question about oversight, when the same consultants are repeated beneficiaries of sole-source contracts, shouldn't we occasionally look to see whether other suppliers might not provide value for money? The only review of sole-source contracting I can locate is the 2009 Auditor General's review of GNWT contracting. The OAG reported that one in five sole-source contracts was not properly awarded.

Mr. Speaker, the increased limits make the stakes that much higher. I will have questions for the finance Minister. Mahsi, Mr. Speaker.