

ORAL QUESTION—JULIE GREEN, MLA YELLOWKNIFE CENTRE

QUESTION 437-18(2): INCREASES TO SOLE-SOURCE CONTRACT THRESHOLDS

November 2, 2016

MS GREEN: Today, I have two sets of questions. I'm going to start with the other set, which are questions for the Minister of Finance, and they're about sole-source contracting. These questions are important, Mr. Speaker, because they help us understand how this special set of contracts is managed, and it reassures the public that their money is being well-spent. So, first of all, could the Minister explain for the benefit of the general public, vendors, and the Members of the House, why increases to the threshold for sole-source contracts were approved and what value that brings to taxpayers? Mahsi.

MR. SPEAKER: Masi. Minister of Finance.

HON. ROBERT MCLEOD: Thank you, Mr. Speaker. Mr. Speaker, these were raised after some consultation, and we'd heard from the business community that because these hadn't been raised in 20 years, they thought it was time to raise them. The value that it brings to residents is that they will be able to then go out and secure some services right away without going through the RFP -- going out for RFP, because that takes up a lot of time and money for \$5,000. So this was made at the request of the business community and in consideration of the cost to administer small contracts. Thank you, Mr. Speaker.

MS GREEN: Thank you to the Minister for that answer. In 2012, as the Minister is aware, the Auditor General of Canada released a status report on the 2009 audit on GNWT contracting for good and services. They found that significant improvements had been made, but the errors were still found in 15 of 44 sample contracts. As a result, the Auditor General considered progress on contract administration to be unsatisfactory. Can the Minister tell us what improvements and quality assurance processes have been made since then?

HON. ROBERT MCLEOD: Mr. Speaker, the procurement of shared services was established wish improved the consistency of the approach, and the procurement of shared services ensures that all steps required for RFP or tender are followed. Thank you, Mr. Speaker.

MS GREEN: Mr. Speaker, the Minister's commitment to quality reporting, which we made earlier in this sitting, on government contracts will help increase accountability, or course. In 2012, the Auditor General also found cases where departments had updated their own records but not the contract registry and reporting systems report that is tabled in the Legislative Assembly like the one we saw yesterday. What has the government done to ensure this registry and reporting system is reconciled with its internal departmental records?

HON. ROBERT MCLEOD: In the future, all reporting will be linked to SAM, which is our financial management system. So departments won't be maintaining separate systems.

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

MS. GREEN: Thank you very much, Mr. Speaker. That's a logical solution to that issue. Given that contracting services are mainly provided through the shared services model, over which individual departments have very little authority, can the Minister please explain our current system for monitoring and evaluation to ensure that contracts meet departments' needs and the public gets the best value for money? Mahsi.

HON. ROBERT MCLEOD: Thank you, Mr. Speaker. Procurement Shared Services was established in part to ensure that our government gets value for money, and departments continue to be involved with all aspects of the contracting, including reviewing tenders and the RFP processes. Thank you, Mr. Speaker.