

## **RESPONSE PACKAGE**

**Questions Taken on Notice  
Standing Committee on Government Operations & Estimates  
2022-2023 Main Estimates + 2022-23 Departmental Plan + the Minister's Mandate  
Letter  
April 29, 2022**

**Question 1 – What was included in the \$750 000 kitchen renovations?**

**Response:**

The area of scope referred to as “kitchen” includes the entire service area of the main building, which underwent significant rehabilitation. This service area, including kitchen, pantry, laundry, storage areas and housekeeping areas, is used for both personal and official uses. This figure reflects a very early order of magnitude cost estimation for this project, which was delivered as part of the complete rehabilitation of the main cottage at Harrington Lake. This project was budgeted at \$6.1M, but was completed for \$5.8M.

**Question 2 – In regards to Rideau Cottage what was done using the \$600,000 a year for the last six years?**

**Response:**

For fiscal years 2015-2016 to 2021-2022, the total expenditures for Rideau Cottage included approximately \$344,360 for operations and maintenance, up to September 2021, and \$3,166,191 for capital expenditures. Note that most of the capital expenditures are attributable to the role of the Royal Canadian Mounted Police (RCMP) in providing security to the premises – questions about the details of these costs should be directed to the RCMP. If those costs are excluded, the total capital expenditures for Rideau Cottage for that time period are approximately \$388,103 for the following items:

- Basement Washroom (\$26,507)
- Paving and Landscaping (\$306,671)
- Roof replacement (\$54,925)

In relation to operations and maintenance, the costs for Rideau Cottage include items such as repairs and maintenance of masonry, roofing, windows, and electrical systems; mandated repairs, maintenance, and testing of fire alarms, generators, and mechanical systems; snow removal; as well as cleaning services for both the residence and on-site RCMP facilities. Note that Rideau Cottage is a recognized federal heritage building, 931 square metres in area and constructed between 1866 and 1867, which necessitates additional care and considerations in terms of ongoing operation, repairs, and upkeep. The cost of gas utilities for Rideau Cottage also forms part of operations and maintenance.

**Question 3 – Regarding the \$237 million contract with FTI Professional Grade Inc., how much was paid to them? Out of the 10,000 ventilators ordered, how many have we received, and how many are still in our hangars?**

**Response:**

In April 2020, Public Services and Procurement Canada issued a contract to FTI Professional Grade Inc. on behalf of the Public Health Agency of Canada for 10,000 ventilators.

The Public Health Agency of Canada received the 10,000 ventilators ordered from FTI Professional Grade Inc., and issued payments totaling \$237,300,000 (including taxes), the full value of the contract.

The National Emergency Strategic Stockpile currently has 9,056 FTI Professional Grade Inc. ventilators in its inventory.

**Question 4 – Shared Services Canada has requested an additional \$2.6 billion compared to last year. (A) What are the causes of this 37% increase? (B) What amounts are for Cisco or a company selling Cisco products? (C) What are the government's intentions concerning the granting of contracts to IBM for the establishment of a possible digital passport?**

**Response:**

A) Main estimates increase compared to last year:

Shared Services Canada (SSC) is seeking an increase of \$710.8 million compared to last year's Main Estimate, from \$1,908.1 million to \$2,618.9 million.

The overall increase of \$710.8 million is mainly due to funding announced as part of Budget 2021:

- A total of \$166.9 million to support the Workload Modernization and Migration Program from Budget 2021. The funding will enable secure and stable hosting solutions for the Government of Canada (GC) Information Technology (IT) infrastructure, and therefore, support GC digital operations through the Workload Modernization and Migration Program's goal of migrating existing workloads off of aging IT infrastructure and into more modern hosting solutions, such as the cloud or Enterprise Data Centres.
- A total of \$97.5 million for the IT Repair and Replacement Program from Budget 2021. This funding will improve planning, proactively address the GC's outdated IT equipment and strengthen the GC's abilities to adapt to rapidly changing digital requirements and prevent system failures and service outages.
- A total of \$79.2 million for the Secure Cloud Enablement and Defence Evolution and Departmental Connectivity and Monitoring initiative from Budget 2021 to

enhance the reliability and security of GC IT networks. This funding will support the Secure Cloud to Ground operational activities and thereby support SSC in delivering up to PROTECTED B secure cloud connectivity to partner departments.

- A total increase of \$158.8 million due to transfers from other government departments as directed in Budget 2021 related to SSC's implementation of the GC IT Enterprise Service Model (ESM). To move to an enterprise approach for managing IT services, the Government of Canada is implementing the GC IT ESM to enable enterprise IT-focused decision making structures and processes, introducing enterprise IT Service Standards, enhancing IT planning, and providing predictable and stable government IT infrastructure funding. It's implementation mainly appropriates enterprise services to SSC, while SSC will continue to cost recover for department specific services. The impact of these change in funding reduces SSC's vote netted revenue, and increases its appropriation.

B) Amounts going to Cisco or a company that sells Cisco products:

Decisions about which technologies to acquire are determined by the specific requirements of each individual project. Whenever possible, SSC uses competition to get the best value for Canadians. At times, it is necessary to issue tenders for brand-name products to ensure the stability or security of our infrastructure, but such contracts are avoided wherever possible. When a brand name is indicated in the requirements, vendors have the option to bid equivalent products that meet the minimum requirements of the tender.

Based on a review of the procurement plan related to active projects and equipment replacement for fiscal year 2022-23, SSC currently estimates that the amount that will be directed to Cisco products is \$34.9 million. This represents 13.7% of the planned spending base on IT repair and replacement and network modernization at this time. This amount is subject to change as requirements advance and competitive procurements to fill them are completed.

C) Intentions regarding awarding contracts to IBM for the possible implementation of a digital passport:

Though SSC cannot speak for the whole of the GC, SSC currently has no plans regarding granting contracts to IBM to implement a digital passport.

**Question 5 – Regarding client departments' computer systems, how soon will the systems be fully functional and when will they cease to be obsolete? What are the plans to avoid further obsolescence in the future?**

**Response:**

The GC depends on a range of IT Infrastructure and Applications in order to organize, manage and ultimately deliver key services to Canadians. From both a hardware and a software perspective, all technology follows a cycle from cutting edge, to mainstream, to lagging, and finally to some form of obsolescence. The management of the GC's IT landscape (including the IT lifecycle, plan future investments, and, where necessary, manage risks associated with older infrastructure and applications) is a shared responsibility across many departments.

Together with the Office of the Chief Information Officer within the Treasury Board of Canada Secretariat, SSC has been working with all GC departments to drive improvements in how the GC plans and manages its IT investments collectively – focusing on an Enterprise approach to enable its IT landscape.

SSC is responsible for a large portion of the IT infrastructure that underpins and enables many GC departments, while individual departments are responsible for managing their specific IT requirements that enable their service delivery mandates, including the specialized systems and applications they rely on. SSC maintains the routine, ongoing repair and upgrade of GC IT Infrastructure including tangible (e.g. hardware) and intangible (e.g. software) assets that support the reliability of digital government, including the security and protection of government's and Canadians' data. SSC has an the Information Technology Repair and Replacement initiative, which covers three interdependent streams of activities:

- the cyclical replacement of physical asset components (hardware) of the GC IT infrastructure;
- the cyclical replacement of intangible asset components (operating systems, middleware, and software) of the Government of Canada IT infrastructure; and
- the enterprise-wide Asset Discovery and Inventory Management Initiative, which was completed in 2021-22.

As part of the Main Estimates 2022-23, SSC is requesting \$97,502,590 for this initiative, which will allow SSC to replace aging IT assets that are at end-of-life, or end-of-support and narrow the gap to meet optimal asset refresh levels.

Concurrently, individual departments are responsible for ensuring they have the systems and equipment necessary to offer services to Canadians at a level that meets their performance standards. Business applications are the responsibility of the respective departments (e.g. the Canada Revenue Agency for tax applications, or Immigration, Refugees and Citizenship Canada for refugee and citizenship applications). The upgrades and updates required for these applications are addressed by the responsible functional department for each of these important GC functions and services. When they determine that new IT systems or assets are required, SSC supports them by providing the underlying IT infrastructure they need.