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Chair

The Honourable Judy A. Sgro

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•(0850)

[English]

The Chair (Hon. Judy A. Sgro (Humber River—Black Creek, Lib.)): I'm calling to order meeting number 37 of the Standing Committee on Transport, Infrastructure and Communities. Pursuant to the order of reference of Wednesday, October 5, 2016, Bill C-227, an act to amend the Department of Public Works and Government Services Act, regarding community benefit.

Welcome to everyone who's here.

We have with us, Mr. Schwartz, director general, commercial and alternative acquisitions management sector. It seems we always have interesting names for sectors in our government.

I'm going to turn it over to you for some brief comments.

[Translation]

Mr. David Schwartz (Director General, Commercial and Alternative Acquisitions Management Sector, Public Services and Procurement Canada): Good morning, everyone.

Madam Chair and members of the committee, hello. I would like to thank you for giving me the opportunity to answer your questions concerning Bill C-227.

[English]

My name is David Schwartz, as the chair mentioned, and I am the director general of CAAMS, the commercial and alternative acquisitions management sector, with Public Services and Procurement Canada.

[Translation]

My sector buys goods and services and manages construction contracts amounting to over \$7.5 billion a year on behalf of federal government departments and agencies. We buy from suppliers around the country.

[English]

The operation of government-owned facilities and construction contracts represent the top two commodities that my sector procures. Together, they represent \$5.4 billion of the \$7.8 billion in procurement we have averaged over the last three years. The services deal with government-owned facilities and construction contracts. The services that we procure include architecture and engineering, construction and maintenance, as well as property management and project delivery.

[Translation]

Today we leverage Government procurement so as to provide economic opportunities and community benefits across the country. Over 72 per cent of the business volumes for contracts awarded by my sector goes to small and medium-sized enterprises.

[English]

The majority of construction contracts awarded by PSPC in a particular region go to suppliers located in that region. Communities are currently benefiting from government procurement. Taking the figures from the last three years, we see that 93% of construction contracts awarded in the Atlantic region went to suppliers located in the Atlantic region. That figure was even higher in Ontario and Quebec, at 98%.

Public Services and Procurement Canada is supportive of the objectives of Bill C-227. Public Services and Procurement Canada manages close to \$15 billion in procurement on behalf of federal departments and agencies. Those procurements provide economic opportunities and community benefits across the country. Close to 40% of our overall procurement business goes to small and medium-sized enterprises.

With respect to the bill, in order to reduce the administrative burden of having each bidder submit information on the community benefits their respective proposal would provide, the proposed planned approach would be to only require the winning bidder to provide that information and to do so before contract award. A standard clause could be developed and inserted into RFPs issued by PSPC to place this requirement on bidders. Collecting the required information will build departmental knowledge of the community benefits that accrue from federal procurement.

[Translation]

Thank you for your time and attention. We would be pleased to answer your questions.

[English]

The Chair: Thank you very much.

We'll start with questions from Mr. Berthold.

[Translation]

Mr. Luc Berthold (Mégantic—L'Érable, CPC): I think it is Mr. Rayes who has the floor, Madam Chair.

[English]

The Chair: Go ahead, Mr. Rayes.

[Translation]

Mr. Alain Rayes (Richmond—Arthabaska, CPC): Thank you, Madam Chair.

Thank you for being with us this morning, Mr. Schwartz, particularly since this is the Standing Committee on Transport, Infrastructure and Communities, and you work in procurement. We learned that the people from Infrastructure Canada and the Treasury Board decided not to appear before our committee, since they believed it was not the appropriate place to discuss this bill. We have thought the same since the beginning. In our opinion, this bill should, instead, have been examined by the Standing Committee on Government Operations and Estimates.

In your document, you talk about \$7.5 billion dollars and you say that 72 per cent of the business volumes is awarded to businesses in local communities. You even say 90 per cent in some sectors.

Is that correct?

Mr. David Schwartz: I would like to clarify that.

In fact, our sector purchases various kinds of vehicles, parts, construction materials, and so on. The construction and maintenance of federal government buildings represents about \$5.4 billion of the \$7.8 billion annually.

In addition, 72 per cent of the contracts associated with purchases made by my sector, which amount to \$7.8 billion a year, on average, are awarded to small and medium-sized enterprises.

Mr. Alain Rayes: As a result, that helps local enterprises in the communities where the projects are carried out.

Mr. David Schwartz: I would like to clarify something. I said 98 per cent for Quebec and Ontario. That figure is different; it is a base figure. To arrive at that figure, I considered all construction contracts signed by Public Services and Procurement Canada. On average, that comes to a little over \$1 billion per year. When we look at the distribution of those contracts, by region, and the suppliers to which they were awarded, the figure was 93 per cent of those contracts for companies in the Atlantic provinces. For Quebec and Ontario, it was 93 per cent. These are two different figures.

Mr. Alain Rayes: I can confirm, as a former mayor, that when you have projects that receive government funding, that is more or less the figures you get. Between 85 and 90 per cent of projects are awarded to local enterprises, which is easy to explain when you consider transportation costs and the proximity of the enterprises.

You are giving me fairly substantial figures and percentages. What would this bill do, on top of that, to support local communities? Do you not have the power, already, to do the same things when you are preparing tenders?

I have looked at this from every angle, and I still think that all of this does nothing but add more red tape and administration. Some people have talked to us about that aspect. It remains to be verified once the tender is launched.

What are you not able to do at this time that this bill will enable you to do?

● (0855)

Mr. David Schwartz: I would say that the bill will enable Public Services and Procurement Canada to require that suppliers provide information. Today, we do not collect information about community benefits. With this bill, we will have the power to do that.

Mr. Alain Rayes: And yet you are able to determine the percentages. How do you do that if you do not have access to that information at present? You said that 92 per cent or 72 per cent of business volumes contracted went to local enterprises, and, at the same time, that you need to have access to this information. You must have got it somewhere.

Mr. David Schwartz: I would like to clarify something. We signed a contract with suppliers in the Quebec, Atlantic and Prairies regions. So we know whom we are doing business with.

On the question of community benefits, are there apprentices, are parks and other things being built? In my opinion, the goal of the bill is to obtain more information.

Mr. Alain Rayes: Would you be able, today, at the point when tenders are being prepared, to ask enterprises to have a certain number of apprentices or a certain percentage of aboriginal workers or people with certain disabilities? What would prevent you from including that in your tenders today? I think you have complete power to do that today.

Mr. David Schwartz: At the moment, that would be optional, but not mandatory.

Mr. Alain Rayes: The bill says: "the Minister may" There is therefore nothing that requires her to do that.

You could do it today. Is there something in the legislation that prevents you from including those terms when you draft your tenders?

Mr. David Schwartz: As I mentioned, it is not that it is difficult, but it would be optional. The supplier has no obligation to do an assessment.

Mr. Alain Rayes: I come from a municipality and I have put out a number of tenders. There is a form, and the people who want to bid have to fill it out. If the tender document says that you need this information, but the form in question is not filled out, their proposal is automatically rejected. There are terms to be complied with and boxes to fill in. They have to fulfil the requirements.

Is there something that prevents you from including your requirements?

Mr. David Schwartz: That is an excellent question.

Mr. Alain Rayes: I understand.

Mr. David Schwartz: I will have to check that again with legal services, because I am not a lawyer. In my view, the purpose of the bill is to gather information.

Mr. Alain Rayes: We have understood very clearly, but I want to know whether there is something that prevents you from doing it today. A number of people have talked to us and we have looked into it. To our knowledge, there is nothing that prevents you from doing everything that is there.

[English]

The Chair: Mr. Rayes, I'm sorry, we've gone way over, because I was so involved in listening to your question.

[Translation]

Mr. Alain Rayes: Thank you very much. You just needed to signal me earlier.

[English]

The Chair: Maybe we'll get back to some of those answers.

Mr. Hardie.

Mr. Ken Hardie (Fleetwood—Port Kells, Lib.): Thank you, Madam Chair. Thank you for being here, Mr. Schwartz.

Following-up on Alain's questions, which I thought were excellent, are you going to learn things?

Is this an opportunity to identify, define, codify, a broader range of community benefits that might not be as obvious, or might not have been asked for in the past?

Mr. David Schwartz: I would say, absolutely, yes.

At this time, if our requirements are to build a new bridge or to do some maintenance on a building, we will have technical specifications, we'll have requirements, a statement of work, effectively. The other benefits that accrue, such as community benefits, are not something that we currently measure.

I believe that this legislation will provide the opportunity for us to collect that information, and that will inform, then, government. It will provide PSPC officials, anyway, with information that we can provide, as well as information or recommendations to government on whether communities are benefiting from those investments, to the extent that they're measured through this bill.

Mr. Ken Hardie: Currently, or in the future, do you actually consider going back into the community, and doing some informal surveys with local businesses or local agencies, to see if they have recognized something over and above the delivery of what's been contracted for?

• (0900)

Mr. David Schwartz: It would be premature to declare or make a statement with respect to what we anticipate doing. This is the starting point. Once we start collecting the information, if we require modifications in terms of the regime.... For example, right now, it's envisioned that bidders would provide the information, and they would do a self-assessment to provide that information.

Assuming all of that information comes in, in a reasonable manner, then that could be sufficient. If that information is not.... It'd be a bit of a conjecture, on my behalf anyway, to say what other regime we would put in place.

Mr. Ken Hardie: We would be looking to perhaps formalize performance measures off into the future once we got a better idea of what the possibilities are.

We all have to continuously remind ourselves that the focus here is on public works. It's not necessarily the grand broader plan that the government has to put infrastructure into the provinces and

municipalities across the country. This is specifically on the facilities and operations of the government itself, at this point.

Do you see the potential for the application of something like this to that broader range of activities that the government takes on?

Mr. David Schwartz: One of the challenges with respect to this bill, from a departmental perspective, is the scope. As you indicated, it's only for those contracts issued and only applies to what is done by PSPC.

We manage 30% of federal assets. All government construction activities represent 1% of the Canadian commercial construction industry. We're an important player, but a very small player in the grand scheme of construction contracts.

I can't speak for other jurisdictions, municipal, provincial, and its extension—

Mr. Ken Hardie: I understand.

One of the things that comes back to bite any government is the announcement that there's a large contract offered for something to be done and, subsequently, somebody finds out that government has gone offshore to buy things that were available in Canada.

Are there some tests that you have in your current procurement system, and could you foresee having, not necessarily a "buy Canada" policy, per se, but certainly something that puts that filter there in the decision-making process?

Mr. David Schwartz: The trade agreements that Canada has with our trading partners provide very interesting and very advantageous opportunities for Canadian companies to export. It's a quid pro quo type of arrangement where foreign companies then have access to Canadian markets.

The current trade agreements, like NAFTA specifically, would prohibit what we call offsets, where we could put something in specifically saying that for this particular contract, it has to go to a local or a Canadian company, generally speaking. That's the trade-off of trade agreements. You get access to foreign markets and provide access here. The current trade agreements would prohibit doing that.

With respect to local, or with respect to the construction industry as a whole, as your colleague, the hon. member mentioned, the reality is that construction is very local now. There are not many companies from Victoria that are bidding on a job in Edmundston, New Brunswick. There are benefits that accrue locally in that particular industry just because it's advantageous.

There's no denying the fact that larger procurements have a consortia of Canadian and international businesses and different suppliers in that supply chain.

The Chair: Thank you very much.

Mr. Aubin.

[Translation]

Mr. Robert Aubin (Trois-Rivières, NDP): Thank you, Madam Chair.

I would like to take two minutes of my time to table a motion. This may not be the best time, but I have been trying to do it for weeks, and interest in hearing the witnesses has always made me put it off.

I would like to table the following motion, which the clerk received a few weeks ago:

That the Standing Committee on Transport, Infrastructure and Communities conduct a study on aviation safety.

If the members of the committee like, I can explain the need for this motion. Otherwise, I will leave it and go back to the witnesses.

● (0905)

[English]

The Chair: Have you tabled this?

[Translation]

Mr. Robert Aubin: Yes.

[English]

The Chair: At this particular moment, we now have you giving us notice. Do you want to go back to deal with this issue now?

[Translation]

Mr. Robert Aubin: Can we discuss it now or later during the meeting?

[English]

The Chair: Could we come back to it when we deal with committee business?

[Translation]

Mr. Robert Aubin: Yes. Will the session be public or in camera?

[English]

The Chair: No, it wouldn't be public.

[Translation]

Mr. Robert Aubin: In that case, I would like us to do it now, so the answer can be public, please.

[English]

The Chair: We didn't have 48 hours' notice.

Did we have 48 hours' notice of—

Mr. Robert Aubin: More than that.

[Translation]

Mr. Alain Rayes: I would ask for the vote, myself.

[English]

The Chair: Could we complete this, and then do it before we go in camera? It's up to you. If you want to deal with it now, we will deal with it now.

[Translation]

Mr. Robert Aubin: If we do it in the public session, it could be after our examination of the bill.

[English]

The Chair: If it's all right with you, let's hold it until we finish with Bill C-227, and then we'll deal with this. Then we'll go in camera to deal with other business.

Is that all right, Mr. Berthold?

[Translation]

Mr. Luc Berthold: It is his decision.

[English]

The Chair: We have a lot on our plate, and we want to include that too.

Mr. Aubin, the floor is yours.

[Translation]

Mr. Robert Aubin: I am sorry for that interruption, Mr. Schwartz.

I would like to get some more information. From a little research I did, incorporating a community benefit requirement into the infrastructure contracts mechanism could be impossible because of the terms of the Trans-Pacific Partnership. Chapter 15 of the TPP does not specify whether tender criteria would be a barrier to trade. If that is the case, the bill could expose Canada to trade challenges.

I am asking for your opinion. How do you see this bill, which asks whether there are community benefits, when we have to comply with an international agreement we have signed?

Mr. David Schwartz: To begin with, I would like to clarify something.

Bill C-227 requires that in our requests for proposals, information about community benefits be provided. It is important to note that it is not talking about including a community benefits requirement. That is not a mandatory criterion for deciding whom to award the contract to. It is simply about providing information on community benefits. I want to be sure that the members of the committee understand that that is not part of the evaluation for deciding whom a contract will be given to.

Mr. Robert Aubin: My other question concerns the end of the process. Assume that all bidders meet the criteria for awarding the contract and the best one has been chosen, obviously, the one that will produce the most community benefits, and, at the end of the process, you realize that all or part of the community benefits promised will not materialize. What would happen?

Mr. David Schwartz: That is a good question. It goes back somewhat to your colleague's comments.

The goal of assembling this information and doing an analysis, whether it is after one year or two years, is to determine whether there have, in fact, been the community benefits promised. Otherwise, based on the assessments provided by the suppliers, other measures might be considered.

At the moment, we have good relations with the construction industry. I know that Mr. Atkinson has appeared before this committee. Earlier this week, my colleagues and I met with him. We work closely with these people. I think they agree on the objectives of this bill.

● (0910)

Mr. Robert Aubin: Yes, we have heard them.

Obviously, we all hope for the best. In the beginning, it is easy, but when you get to the end, it is something else.

You said that other measures might be taken. Allow me to say that your answer is a bit vague. For example, could financial penalties be applied? Is that the only measure that could be taken? Can you name any others?

Mr. David Schwartz: At the moment, it will not be possible to apply financial penalties, because community benefits are not included in the criteria for evaluating bidders on a contract.

Mr. Robert Aubin: Can you give me an example of another measure that could be used to make up for a promise that was not kept on the ground?

Mr. David Schwartz: Not at the moment. I am not able to suggest other measures.

Mr. Robert Aubin: Fine.

Thank you.

[English]

The Chair: Thank you, Mr. Aubin.

Mr. Badawey.

Mr. Vance Badawey (Niagara Centre, Lib.): Thank you, Madam Chair.

At this point, if Bill C-227 were to pass, how would the department adapt its processes to accommodate the intent and the reality of this new legislation?

Mr. David Schwartz: We would have, from an implementation perspective, two streams. Over the coming months department officials would be developing criteria for the application for consideration by the minister as to what extent and to which contracts, particular solicitations, this would apply.

We do a number of contracts, thousands of contracts. I'll use this example. For small construction and repair contracts, for example like a \$150 plumbing job, I would suggest—and while it would be the decision of the Minister of Public Services and Procurement Canada to decide—that we would wish to probably avoid asking this for small, low-dollar value procurements.

Mr. Vance Badawey: Actually what you're doing is starting the process as a first step to report to the minister how this is going to roll out.

Mr. David Schwartz: Proposals for the application criteria we would apply to this, too.

Mr. Vance Badawey: Okay, so what would the—

Mr. David Schwartz: For example, the dollar value or threshold

Mr. Vance Badawey: What would the timeline be on that?

Mr. David Schwartz: I'm sorry?

Mr. Vance Badawey: What would the timeline be on that?

Mr. David Schwartz: If this bill were to go forward, we're already starting to develop some criteria. Actually I would be interested in hearing from the committee members if there are certain types of projects they feel would benefit from having this apply to them.

Mr. Vance Badawey: That's what I'm getting at, Mr. Schwartz. Yes, we have Bill C-227 in front of us, and it is essentially a good

first step, but what I'm getting at now is the second, the third, and the fourth step as this matures and as it accrues over time.

What I mean by that is that, in my opinion—and I'm sure we share this opinion around this horseshoe—this will in fact add value to the process. I think for the most part it can be applied to not just the federal level but it can be a discipline when monies are flowing from the federal level to municipalities, and quite frankly, to the provinces.

Second to that, and, again, moving down the road... Coming from the municipal level as a former mayor, like my colleague opposite, we had been doing this for quite some time. What it did was, before the actual process was bid, it was actually part of a matrix and it was part of a waiting process on that matrix, and therefore, part of the ultimate bidding award because of the value-add that can be attached to it.

Therefore, when you're now moving forward with meeting a hopefully aggressive timeline with respect to Bill C-227, do you see that discussion happening in the future as well?

Mr. David Schwartz: On the challenges, I can only speak on behalf of PSPC, with respect to its scope and application. As soon as the bill is passed, we would be applying it to all PSPC contracts that fall within this scope. With respect to including it as rated criteria or mandatory criteria, unfortunately, the current structure of our trade agreements prohibits us from including it as rated criteria.

In discussions with industry, we haven't discussed Bill C-227, but we've discussed a number of things—prompt payment, good-quality design documents, a host of things—and I made reference to that collaborative relationship that we have with CCA, or the NTCCC, which is another organization. I think this legislation has the opportunity to clearly signal government intent, and that signalling, I think, could potentially cascade down.

● (0915)

Mr. Vance Badawey: I want to dig a bit deeper here because Bill C-227, I think, is a wonderful first step. I think it's a good direction to take but I think we all agree around the table, from the past discussion that we've had, that there's a second, there's a third, and there's a fourth step attached to this, especially as it relates to those performance measures with respect to the bidding process and getting added value. Again, the municipalities do it all the time. There are millions of dollars that can be realized here, when bidding is happening, with respect to the added-value products that they add into their bids.

With that, I want to go to Mr. Hardie's earlier question. How then, after the fact, do you measure that performance? When Bill C-227 is put in place, how is the federal government now going to measure that performance based on what this bill actually defines as part of the overall process?

Mr. David Schwartz: The bill places an obligation on the minister to table a report every year, so we'll be collecting all that information. In a very conceptual model, company ABC wins a contract. They have an obligation to submit to us what community benefits they're going to produce during the course of that contract—

Mr. Vance Badawey: And the value attached to it.

Mr. David Schwartz: Then you'd provide an evaluation, so then we'll be able to match.

You said you're going to do X, Y, and Z. Did you do X, Y, and Z?

Mr. Vance Badawey: It's a triple bottom-line lens. We look at—

The Chair: Sorry, Mr. Badawey, your time is up. Ask that question afterwards.

Mr. Vance Badawey: That was very productive. Thank you, Madam Chair.

The Chair: Mr. Fraser.

Mr. Sean Fraser (Central Nova, Lib.): Thank you very much.

One of the things I'd like to express is that I had some hopes, as Mr. Badawey did, that this would have a much grander application some day down the road, that for every project that we build, whether it's Public Works or Infrastructure, or whatever it might be, someday we could get there and assess community benefits.

What I'm hearing today is that there are certain legislative obstacles or potential tools that we just don't have because we're not far enough along in this as a practice to really make that a reality anytime really soon.

For example, does Public Works have a tool to assess community benefits today?

Mr. David Schwartz: No, we do not. We're developing one for the purpose of implementation here.

Mr. Sean Fraser: When you get the information in the form of a report, will this bill actually help you develop a tool to find out what's useful so we can do this at some point in the future more effectively?

Mr. David Schwartz: Absolutely, without any doubt, I would say. Once we have that inventory or *répertoire*, a database of that information, then we'll have to see. They said they're going to do this, and these were the community benefits that were realized or not realized.

Then, I believe, that information will be beneficial to parliamentarians in determining whether that is sufficient or whether there are other things, other focuses, they would like to see. Then we can signal that back to the supplier community as well.

Mr. Sean Fraser: You mentioned there is currently a prohibition on using this as rated criteria today. Could you explain that to me?

Mr. David Schwartz: Without getting too technical, and I'm not overly technical—

Mr. Sean Fraser: I think a broad overview would help.

Mr. David Schwartz: The trade agreements put in form a frame to really have unfettered access to the respective markets, so there are a very limited number of offsets allowed. The minority community is one, for example, the aboriginal community. There's the aboriginal set-aside, so PSPC right now has the ability—and we do it with a number of different procurements across a range of different things—to direct a procurement to indigenous people and companies, or we do a set-aside. For example, we would say 15% of a contract has to go there.

But aside from that community, we're very much restricted in terms of doing offsets. The trade agreements envision, from a framework perspective, that if you were to allow that criteria to be put in, that you have to be from New Brunswick to get this particular contract, in addition to the domestic agreement on internal trade and our foreign trade agreements...so they restrict that.

• (0920)

Mr. Sean Fraser: Today, it's not possible to have this as part of the scored system on an open bid. Is that correct?

Mr. David Schwartz: That's correct.

Mr. Sean Fraser: You touched on some information you were seeking from us on what kinds of projects you think it might best apply to. Some of our witnesses talked about appropriate thresholds, anywhere from \$5 million to \$40 million, depending on who you asked.

Is there any assessment within the department as to what would be an appropriate scale of project to apply this framework to?

Mr. David Schwartz: We haven't developed that yet.

Mr. Sean Fraser: As a follow-up question, would this bill help you to identify which scope of projects would be most appropriate to use this sort of analytical framework for? Let's say, if you get information about the \$5-million projects and you find that threshold doesn't really make a difference but on the \$40-million ones it certainly does, is this bill going to help you assess what projects are most appropriate to use a community benefits assessment for?

Mr. David Schwartz: I would say so, yes.

Mr. Sean Fraser: Just quickly, as I wrap up, you mentioned in your remarks that there was a standard clause to be developed to be included in RFPs. Do you know the timeline for the development of that clause?

Mr. David Schwartz: It's as soon as the bill is passed. When it takes effect, we'll be ready. We haven't drafted it. I've personally met with our legal services to ensure we can do that and what the best way of doing it is. They're starting to think about it. It's the same way in which the criteria and those things will be developed over the coming period.

Mr. Sean Fraser: Finally, the one thing that I find a bit difficult in the bill is the reporting timeline. I think the reporting mechanism is essential, and it's a key part to this, but 15 days seems aggressive. Do you think that an extension would be warranted?

Mr. David Schwartz: If the opportunity presents itself to make some changes with respect to proposed subsection 20.1(4), 15 days is really tight at the end of the fiscal year. The department would suggest something along the lines of the Access to Information Act, perhaps 90 days. That's not artificial, but it would bring it in line with other types of things.

Mr. Sean Fraser: Thanks very much.

That's all, Madam Chair.

The Chair: Thank you very much.

Mr. Clarke, welcome.

[*Translation*]

Mr. Alupa Clarke (Beauport—Limoilou, CPC): Thank you, Madam Chair.

Good morning to all of the committee members, both the Liberals and the New Democrats and Conservatives. I am very pleased to be here this morning.

Madam Chair, I am on a sort of interparliamentary diplomatic mission. That is, I am here on behalf of the Standing Committee on Government Operations and Estimates to try to understand what has happened and why this bill is being examined by this committee rather than ours.

I am also here as the critic for Public Services and Procurement Canada and to add my two cents about this bill, which was initially analyzed by my colleague, Mr. Blaney.

Thank you for being here this morning, Mr. Schwartz.

In the seventh paragraph of your presentation, it clearly states that you do not necessarily support the bill, but you are supportive of the commendable objectives. Sometimes we can support the principles that are part of something without necessarily supporting the entire thing.

Should we understand that this is your department's position?

Mr. David Schwartz: I would say that I support both.

Mr. Alupa Clarke: Both?

Mr. David Schwartz: Yes, absolutely.

If our presentation gave you the impression that Public Services and Procurement Canada does not support this bill, I apologize.

Mr. Alupa Clarke: Fine.

You say that 72 per cent of bidders are small and medium-sized enterprises.

Our SMEs are already having trouble getting to their year end without laying people off. That has been the case for the last year, especially.

Based on your experience and your role in the department, would you tell me whether, in your opinion, our SMEs have broad enough shoulders to take on additional work when they submit proposals?

• (0925)

Mr. David Schwartz: Are you talking about the need to provide information during the bidding period and to do an assessment afterward?

Mr. Alupa Clarke: Yes. Do you think that would be an additional burden?

Mr. David Schwartz: I do not think so.

As I said in my presentation, we are not asking bidders to provide information about community benefits in the invitation to tender. We will do the evaluation of the various bidders, and the one we award the contract to is the one that will have to provide the information about those benefits; it is the one that will do an assessment once the work is completed.

For small and medium-sized enterprises, as I said earlier, we will establish criteria, because that requirement does not necessarily affect all projects. The bill enables the Minister to apply that measure in Bill C-227. In the case of a \$150 plumbing contract or a \$1,000 building or repair contract, I do not think it would be necessary to ask those enterprises to say whether their work provided community benefits.

We will establish criteria for determining what type of project an enterprise will have to comply with that for, and starting at what amount. I think that will enable us to reduce the risk of imposing an administrative burden on small and medium-sized businesses.

Mr. Alupa Clarke: Thank you, sir.

I would like to benefit from your expertise some more. I would like us to review the four subsections of proposed section 20.1 in the bill.

With subsections 20.1(1) and (2), I think there will be some interference in the contracting processes carried out by third parties.

For example, in the fourth line of proposed subsection 20.1(1), we see: "... and includes local job creation and training opportunities" It seems obvious to me that unions already play this role. In Quebec, it is the unions that are involved in making sure that the local work force is going to be employed. In many cases, it is also the unions that handle training for that work force. That is also why we are very fond of unions.

Next, it refers to "improvement of public space." In my view, it is municipalities that look after this aspect.

At the end of that sentence, it refers to "any other specific benefit identified by the community." Good heavens! Applying that will be horrific. Ultimately, there will be consultations for all projects awarded by the Canadian government. It amounts to the government telling the municipalities that, boom, it intended to erect a new building in a particular neighbourhood, and required the municipalities to hold a public consultation so the community could specify what benefits the project should provide.

Is my analysis relevant?

Mr. David Schwartz: It is always relevant, sir. It is a matter of interpretation.

Some hon. members: Oh, oh!

Mr. Alupa Clarke: Thank you.

Mr. David Schwartz: I would like to clarify that Bill C-227 does not require that enterprises hold consultations.

Mr. Alupa Clarke: No, but maybe it requires that cities do it.

Mr. David Schwartz: According to the bill, the Minister "may" ask bidders to provide information on community benefits. The enterprise to which a contract has been awarded will submit an assessment specifying whether its work provided community benefits. Proposed subsection (4) states that it is the Minister who will assemble all that information and table a report in Parliament.

Mr. Alupa Clarke: I am going to try to be clearer.

Do you not think there is some interference? In fact, on the question of job creation and training opportunities, it is the unions that do that. The contractor will tell the Minister that it can certainly produce a report, but ultimately, it is the unions that will handle those aspects.

Does the bill not mean that the game is being played on two, or even three, playing fields at once?

Mr. David Schwartz: From the point of view of Public Services and Procurement Canada, I do not think the work is being duplicated. At present, we do not have access to this information. If you asked me what the benefits were of the \$5.4 or \$5.5 billion in contracts for the construction and maintenance of buildings, in terms of the number of jobs created, the number of apprentices hired, or improvement of public space, I would not have the answer, because those enterprises have no obligation to provide that information. With this bill, they will have to provide that information, and I think that will be useful to all members of the House of Commons.

• (0930)

Mr. Alupa Clarke: Is my speaking time up, Madam Chair?

[*English*]

The Chair: Mr. Clarke, as you are a new member, I've let you go a minute and a half over.

Mr. Alupa Clarke: Okay, thank you.

The Chair: I think it's important that everybody get whatever pertinent information they want. If you want to try to get another question in that's really important to you, please go ahead, as long as it's short and has a fast response.

Mr. Alupa Clarke: I have a quick comment.

The Chair: Go ahead.

Mr. Alupa Clarke: Avenue D'Estimauville is in my riding.

[*Translation*]

On that avenue, there are two new government buildings. That is a project that represents 1,000 jobs. It seems clear to everyone that the benefits are to the community: restaurants open, the workers come form the region, and so on. Some things happen naturally in a society, and the government does not necessarily need to direct them. That is the beauty of the human race.

[*English*]

The Chair: So, your question...?

[*Translation*]

Mr. Alupa Clarke: That is how I see things.

[*English*]

The Chair: All right.

Does everyone have the information they require in order to participate on C-227? I have no one on my list, so I'm going to move to clause-by-clause, if that's acceptable to the committee.

(On clause 1)

The Chair: We have Mr. Aubin's amendment in front of us, replacing line 8 with "benefit means a social, economic or environmental benefit".

Does everyone have the amendments in front of them?

Do you have them, Mr. Clarke?

[*Translation*]

Mr. Alupa Clarke: Yes, Madam Chair.

[*English*]

The Chair: Mr. Aubin, do you want to speak to this briefly?

[*Translation*]

Mr. Robert Aubin: I would like to ask you a question, Madam Chair.

I would like to know at what point the motion I have tabled will be put to a vote. Are we going to do it now or after clause-by-clause consideration?

[*English*]

The Chair: As soon as we finish with C-227—

Mr. Vance Badawey: Can we have a translation, please, Madam Chair?

The Chair: He wants to know if we can deal with his motion now. I realize that's my French interpretation.

[*Translation*]

Mr. Robert Aubin: In the hypothetical case that we do not complete clause-by-clause consideration this morning, would the vote on the motion be postponed?

[*English*]

The Chair: No, Mr. Aubin, I gave you my assurances that while we are in the open session we will deal with your motion.

[*Translation*]

Mr. Robert Aubin: Perfect.

Thank you, Madam Chair.

[*English*]

The Chair: I'm hoping this isn't going to take too long, given the fact that we have quite a few other things on our schedule.

We have Mr. Aubin's NDP-1.

[*Translation*]

Mr. Robert Aubin: What we are adding here is the environmental element, which is not present in the bill. It seems to us to be of the utmost relevance, particularly in 2016. This is something that is everybody is talking about and that applies in all fields. In addition, this bill is directly modeled on an Ontario law that is similar, but includes that dimension.

I have found two very relevant provisions in that Ontario law, and I am going to read them to you here:

1. The purpose of this Act is to establish mechanisms to encourage principled, evidence-based and strategic long-term infrastructure planning ... and protection of the environment, and incorporate design excellence into infrastructure planning.

The other provision, which says exactly the same thing, stresses the following aspects:

... respect and help maintain ecological and biological diversity, and infrastructure should be designed to be resilient to the effects of climate change.

It seems to me that in 2016, this is an issue that can no longer be evaded. This approach seems to me to be entirely consistent, particularly given that the Liberal government has been telling us, since its election campaign, that it wants to marry economic development and respect for the environment. We therefore believe that it should be included in the bill.

I have other arguments to show the appropriateness of this amendment, if necessary. However, I am going to stop here and see what my colleagues' reactions are.

[English]

The Chair: Thank you.

Mr. Berthold, go ahead.

[Translation]

Mr. Luc Berthold: Thank you, Madam Chair.

I would like to know how environmental benefits can be defined, Mr. Aubin. In your opinion, what do environmental benefits in the field of the construction and renovation of government buildings consist of?

I can understand that environmental requirements would be included in invitations for proposals, for example in terms of energy savings. However, in order to understand the meaning of the amendment you are proposing better, I would like to know how you define environmental benefits.

• (0935)

Mr. Robert Aubin: There is what you have mentioned, but there is also all of the greenhouse gases produced during the infrastructure construction and over its life, after that. There are also all the benefits that the community will want to see. As we know, people are increasingly concerned about their environment. For that reason, if new infrastructure is built in their neighbourhood, they want special attention to be paid to environmental issues.

[English]

The Chair: Thank you very much. Are there any other comments?

(Amendment agreed to)

The Chair: We're now on amendment NDP-2.

Mr. Aubin, do you want to speak to this?

[Translation]

Mr. Robert Aubin: Madam Chair, I think the amendment speaks for itself. In fact, it is about taking the bill from being something hoped for, or wishful thinking, into actual reality, and asking that the Minister require it.

The only change involves replacing the words "may require" with "must require". That would also eliminate any idea that might seem arbitrary. Whom would it be required of, and whom would it not be required of? That is the meaning of the amendment.

[English]

The Chair: Thank you. Are there any comments?

Mr. Hardie, and then Mr. Berthold.

Mr. Ken Hardie: The amendment looks at the world as it probably should be at some future date. This bill is deliberately simple and meant to be at this point, a relatively loose framework until we find out a few things through experience. I could support this amendment perhaps a year or two years from now, but at the beginning it probably imposes too many restrictions or too many obligations on the process that I don't think people are ready for just yet.

The Chair: Mr. Berthold.

[Translation]

Mr. Luc Berthold: I understand my colleague's comments, but I have two major questions.

First, we cannot ask for something before awarding a contract. Mr. Schwartz, I think you talked about this in your introduction. It has to be requested during the bidding process, so that it applies equally to everyone.

This amendment means that before awarding a contract, the Minister could require that bidders do something. In my opinion, however, the process to lead to some confusion, and that could cause problems.

Second, there is an issue of the size of the contracts. Every contract you award is a tendered contract. If you have a window replaced, will the bidder have to respond to the information requested, in order to do it?

Are you reading it the same way as I am, in this case?

Mr. David Schwartz: Absolutely, that would be one of the considerations. In fact, when you remove the word "may", that means that all bidders have to meet the same criteria.

For example, in the case of a small plumbing contract or an electrician who comes in to repair the elevator, that would mean a lot of administrative work for us. However, and this is the most important thing, it would create a burden for small and medium-sized enterprises.

Mr. Luc Berthold: As you said, if it imposed an additional burden on your services, that would mean additional costs. This amendment could have fairly major consequences.

Mr. David Schwartz: Yes.

[English]

The Chair: All those in favour of amendment NDP-2?

(Amendment negated)

The Chair: We're now on amendment NDP-3.

[Translation]

Mr. Robert Aubin: Once again, Madam Chair, the bill starts with a good intention, which we support, but we would like it to be more clearly defined or more clearly described.

This is the proposed amendment:

(2.1) The information to be provided must specify

- (a) the number of apprentices the bidder plans to employ, broken down by trade;
- (b) the measures that he or she intends to implement to help these apprentices complete their training ... [or] apprenticeship

The list goes on. I will spare you my reading the entire amendment, since you have it in front of you.

Very clearly, the time that would be spent on doing this would be time gained at the report stage. I think everyone would win.

I would also note that, according to a study by the Mowat Centre relating to good strategic practices to adopt in agreements on community benefits, these policies have not had great success in the United States, precisely because there was no requirement for clear criteria.

That is the purpose of the amendment submitted. It means that targets will be clear and well defined, so that everyone can be on a level playing field at the bidding stage.

● (0940)

[English]

The Chair: Mr. Fraser.

Mr. Sean Fraser: Thank you very much. Again, I do like the intention. I'm a little reticent when it comes to this suggestion, though, after the questions that I put to the department right now. It seems as though the department isn't particularly well equipped to flip the switch and implement an analysis like this, and that by passing the bill to gain the information over time, they'll know which community benefits would properly form part of the assessment tool, whether that is the number of apprentices or engagement of indigenous communities.

My preference would be to say let's get some experience with the tool and then use the information that we have to build the best framework. I do like the intention, Mr. Aubin, but for that reason I'll not be supporting the proposal.

The Chair: Mr. Clarke.

[Translation]

Mr. Alupa Clarke: Mr. Schwartz, are there not already criteria concerning apprenticeships, in the department?

Mr. David Schwartz: No, but ESDC offers a program. In our construction tenders, it is optional. We collect certain information and we provide it to our colleagues. We have some information, but it is limited.

Mr. Alupa Clarke: Thank you.

[English]

The Chair: Mr. Badawey.

Mr. Vance Badawey: Thank you, Madam Chair.

As Mr. Fraser alluded, I do support the intent of this but I think with this bill just moving forward it has to mature. We don't want it to end up being arbitrary, or we don't want it to end up not capturing the full intent of the different disciplines in which we're trying to add value to the overall community.

Going back to the comments by Mr. Clarke earlier, coming from the municipal side, I've recognized, going through many tenders, that in fact the SMEs are already doing it. This is already happening. When they're putting their bids in they're actually adding value to their bids other than the bottom-line price that they're bidding at. Therefore, you do find municipalities not necessarily giving the contract, or the ultimate bid, to the lowest bidder because they

recognize under that triple bottom-line factor—environment, economic, and social—that this value is being added based on those three components. Sometimes even culture adds a fourth to that, so it's already happening. This will encourage that. It will in fact give the opportunity for that added value to be articulated within the tender documents as they're coming forward.

I want to say two last things. It's also a discipline. It's a discipline by procurement to ensure they're getting full value for their dollar, but it's also a discipline to ensure that when the money is being flowed to municipalities, this discipline is also there for the province. Therefore, as we're moving forward, we ensure that this discipline is there as well for the federal government in terms of its intentions for its own investments when flowing down to the provincial level.

Going back to NDP-3, I do like the intent. I just think we have to mature to that point in time, and we hopefully will get there. That was the premise of my questions earlier, and hopefully we'll get there sooner rather than later.

Thank you, Madam Chair.

The Chair: Mr. Rayes.

[Translation]

Mr. Alain Rayes: Thank you, Madam Chair, but I am not going to add anything. After hearing my colleagues' comments, I am in complete shock.

[English]

The Chair: Mr. Berthold.

[Translation]

Mr. Luc Berthold: Forgive me, Madam Chair, but I am also in shock after hearing my colleague's comment. Since I was expecting him to ask a question, I did not have time to gather my thoughts.

Mr. Schwartz, you seemed to say earlier that the department supported the intention of the bill and the bill itself. However, as the bill is currently worded, which is "the Minister may", it is a political decision at any point.

At what point does the department think there should be a requirement to provide all the information listed by my colleague in his amendment? Would it apply to contracts under \$1,000 or \$10,000 or \$100,000 or \$10 million or \$100 million? For example, would it apply to the current project to renovate 24 Sussex Drive, with a value of \$38 million?

At what point do you think those benefits would be required?

● (0945)

Mr. David Schwartz: That is an excellent question.

We are going to prepare a proposal, which will be considered by the Minister. As I mentioned earlier, we have to avoid having this cover contracts with very small values. As far as determining the threshold, in this case, we shall see.

The criteria that will determine what types of contract will be subject to Bill C-227 will be transparent and clear. I hope that members of the committee will be reassured in that regard. We do not intend to consult the Minister or her office on each contract, to verify whether that condition will be imposed. We will have criteria that will, in fact, be transparent to the public.

We are in the process of developing those criteria. We are not far enough along to say that it will apply to contracts for a particular amount of money or to particular industries, or that particular benefits will be required.

Mr. Luc Berthold: Unfortunately, that does not reassure me. In the past, a politician from Quebec campaigned on "we shall see", and we saw what that led to.

You say there will be criteria and they will be transparent. At present, we are examining a bill that the member who introduced it would like to see enacted, so it becomes a Canadian law that lays down rules to be followed. You are telling me that at this time, you do not have the details in hand that would tell us who will be subject to those requirements. Your department has not yet assessed or examined that.

That kind of amounts to giving the department carte blanche. It amounts to thinking that this is a bill that simply requests information, and telling the department it will be able to do what it likes with it. It amounts to saying the bill was introduced for the sole purpose of showing we were interested in community benefits, but we left it up to the department to do all the work.

Do you not think it is a little premature to pass a bill when we do not really know everything that the resulting legislation will apply to?

People have come to meet with us. Before a bill is passed, they would like to know whether it is going to apply to them. Big corporations can probably wait for the answer, but SMEs in each of our region want to know whether or not it is going to affect them.

I think that the transparent way of doing things would be to determine all of that before passing the bill.

That is my opinion, at least. I understand you and I do not want to put you on the spot.

Mr. David Schwartz: Fine, and I respect your opinion.

That said, I still want to make a comment. The department's intention is to make sure that this does not become a burden for small and medium-sized enterprises. The objective of the bill is to collect information about community benefits and make it available to all members.

[English]

The Chair: Okay, Mr. Rayes has a question now.

[Translation]

Mr. Alain Rayes: Yes, Madam Chair. I have my thoughts back in order. However, every time I hear things, I get shivers.

You say you do not want to make the job harder, you do not want to create pressure, it will not be the Minister making the decision, and you want to simplify the process to help small and medium-sized

enterprises. I hear all that. However, in Bill C-227, which is what we have before us, it clearly says: "The Minister may" and "A contracting party shall, upon request by the Minister,"

In my view, this bill gives the Minister the power to decide whether or not she wants to request information. As I understand it, however, the officials could decide by themselves and would not always be required to go to the Minister, so as not to complicate the system.

I am hearing two different things from my colleagues. It varies from motion to motion and from provision to provision. When it suits, they agree to it, but if it does not suit, they reject it.

I am finding it hard to imagine how this could be requested afterward, when you already have full power to request this in your tenders. Forgive me, but I am still trying to find out what more this bill will add to the power you already have at present. I really feel like I am hearing what my constituents say to me in my riding. I am trying to defend the officials, because I think there are excellent, effective people in the government bureaucracy, at all levels. Unfortunately, I really have the impression that this kind of bill adds more bureaucracy to the machine. I completely fail to see what more this is going to give you.

That being said, this is not really a question. I realize that it is more of a comment.

• (0950)

Mr. David Schwartz: Would you allow me to respond to it?

Mr. Alain Rayes: If the Chair allows you, I allow you.

[English]

The Chair: The question was—

[Translation]

Mr. David Schwartz: Madam Chair, may I respond briefly to that comment, please?

[English]

The Chair: Yes, okay.

[Translation]

Mr. David Schwartz: I am not on the defensive, but I apologize if I did not express myself clearly.

It is the Minister's decision. To simply the administrative process, we will propose a type of contract to the Minister to which this requirement should apply. As you can imagine, we have thousands of contracts. We will submit our suggestions for criteria to the Minister, but she is the one who will decide. It is not the department or the bureaucracy that will decide how to apply this requirement.

Mr. Alain Rayes: Mr. Schwartz, we are being asked to make a decision on a bill without knowing what type of criteria or projects you are going to analyze or propose to the Minister. At present, we are completely in the dark and so we are not able to make our own recommendations.

It amounts to you asking us to write you a blank cheque, after which you will propose the criteria to the Minister for applying the requirement of requesting information from bidders or communities. You are simply asking us to write you a blank cheque. It amounts to letting the government say, to whoever wants to hear it, that it is concerned about communities, but it cannot tell them yet what those criteria are, and that will be left to the discretion of the Minister and the officials.

I am sorry, but I really have the feeling we have been going in circles for the last four meetings. We are sitting in a public meeting. The people listening to us have to wonder how we can be getting paid today for discussing this.

[English]

The Chair: Thank you very much.

I will now call for a vote on amendment NDP-3.

(Amendment negatived [See *Minutes of Proceedings*])

The Chair: We now go to amendment NDP-4.

[Translation]

Mr. Robert Aubin: Madam Chair, I will be relatively brief.

In amendment NDP-4, we are proposing exactly the same wording as in NDP-2, which was defeated, that is, "the Minister must ... require bidders" In other words, we are asking the Minister to require the same thing from everybody, rather than leaving herself open to criticism.

I do not think it makes me a great visionary if I think this amendment will suffer the same fate as the second one. I will end my argument here.

[English]

The Chair: Yes, Mr. Hardie.

Mr. Ken Hardie: You're where we want to be. That's basically it, but I think it's too soon.

The Chair: All those in favour of amendment NDP-4?

(Amendment negatived)

The Chair: We now go to amendment LIB-1.

Mr. Vance Badawey: No, it's amendment NDP-5.

The Chair: The clerk is indicating we need to go with amendment LIB-1. It's because of where it falls in the bill, so if you wish to speak to it, please speak to it.

That's amendment LIB-1, from Mr. Badawey.

Would you like to speak to it?

Mr. Vance Badawey: It's self-explanatory.

The Chair: Okay, everyone has read this.

[Translation]

Mr. Robert Aubin: Madam Chair, I clearly understand the idea of changing it from 15 days to 90 days. The representative of the public service told us there is a certain logic to it.

I would have liked to connect the argument on this amendment with the argument on amendment NDP-5, which gives the report

more weight. If the report to be produced is composed of nothing more than a list, it could very easily be done during the work, and so I am not sure that it calls for 90 days. However, if the substance of the report were changed, by amendment NDP-5, I would be more inclined to support it, because then there would be some work to be done so that the report would be more useful.

● (0955)

[English]

The Chair: Are there any further comments?

Mr. Berthold.

[Translation]

Mr. Luc Berthold: There is something I want to understand regarding subsection 20.1(4) as proposed by the bill, which reads as follows:

The Minister shall cause to be tabled before each House of Parliament, within 15 days after the end of each fiscal year or, if Parliament is not then sitting, on any of the first 15 days next thereafter that Parliament is sitting, a report assessing whether construction, maintenance or repair projects have provided community benefits.

Is this one report per project or one report for all of the projects? The way it is worded can be interpreted as if a report had to be made every time there is a construction project. Is it not, rather, a report that will combine the information for all projects completed during a particular period? I am having a little trouble grasping the meaning of the proposed subsection.

Because an amendment affecting that wording has been proposed, I am going to take the opportunity to ask you how you read it, Mr. Schwartz.

Mr. David Schwartz: As legal services did, I had understood that this report would relate to all the projects.

Mr. Luc Berthold: But the question did have to be asked. As it is worded, it is not obvious that it does not mean one report per project. I do not know how one might go about it, but if this bill were passed, it would be important to clarify it and establish clearly that it is one report for all projects completed during a particular period.

[English]

The Chair: I believe Mr. Sikand has something that he's going to be moving.

All right. Is there no further discussion on LIB-1?

(Amendment agreed to)

The Chair: Mr. Sikand.

Mr. Gagan Sikand (Mississauga—Streetsville, Lib.): Madam Chair, I actually worked with the legislative clerk and I'd like to move an amendment, but I'd like to refer to him for the technical wording.

The Chair: Can you read out what his amendment would be, then?

Mr. Philippe Méla (Legislative Clerk): I'm just going to translate it in the proper way. I have an English and a French version.

The amendment would read:

That Bill C-227, in Clause 1, be amended by replacing lines 2 and 3 on page 2 with the following:

“a report on community benefits provided in construction, maintenance or repair projects.”

It basically removes “assessing whether” on line 2 and “have provided community benefits” on line 3.

The Chair: Is there any discussion?

Mr. Fraser.

Mr. Sean Fraser: Thank you, Madam Chair.

I think it makes sense. What I see the impact of this having is moving from a report that would say, yes, this project did or didn't have community benefits, to one where the minister can actually lay out the success of programs and anything else that was learned throughout the process. I think this is going to be a more helpful version of the clause, which is going to provide more information to the department, so we have a better understanding of what the impact is of this legislation going through. I view it to be more broad and I think that's a good thing.

• (1000)

The Chair: All those in favour of—

[Translation]

Mr. Luc Berthold: Madam Chair, just a moment, please. I would ask you for a little time, given that we have just received this. We are trying to understand.

[English]

The Chair: Okay.

[Translation]

Mr. Luc Berthold: Madam Chair, I would ask that the meeting be adjourned for a few minutes, to give us time to talk about this amendment. We will let you know when we are ready.

[English]

The Chair: Let me read it.

[Translation]

Mr. Luc Berthold: Very well.

[English]

The Chair: Maybe we should read it out so we're very clear. I'll ask the clerk to do that.

Mr. Philippe Méla: The English version, the sheet that was provided to everybody, indicates what is removed. In proper drafting, if you will, it will read:

That Bill C-227, in Clause 1, be amended by replacing lines 2 and 3 on page 2 with the following:

“reports on community benefits provided in construction, maintenance or repair projects.”

[Translation]

Mr. Alupa Clarke: Perfect, we understood correctly.

[English]

The Chair: All right. All those in favour—

[Translation]

Mr. Luc Berthold: Madam Chair...

[English]

Mr. Alupa Clarke: Madam Chair, we have to speak for just one minute. I have a very important analysis to share.

The Chair: Okay.

[Translation]

Mr. Luc Berthold: Madam Chair, I would ask that the meeting be adjourned for a few minutes.

[English]

The Chair: Yes, we will.

• (1000)

(Pause)

• (1000)

The Chair: I want to make sure everybody is clear on everything. If Mr. Sikand's motion is adopted, then the NDP-5 will not be able to be voted on.

All those in favour of—

Mr. Alupa Clarke: I'd like to speak on this.

The Chair: Yes, you have that valuable information for us.

Mr. Alupa Clarke: I hope so.

Some hon. members: Oh, oh!

The Chair: Please go ahead.

Mr. Alupa Clarke: I think there was a very good reason that this amendment was brought forward, and it's to make sure that the bill doesn't actually affect anything.

Let's look at that objectively. If you put “on community benefits provided in” before “construction”, it means that every time the minister does a report, it will always be positive. For each contract, she will find something that was adequate towards this bill, and she will present this adequate result.

The other way around, the way it was before, she had to present each construction report and try to find community benefits provided by the construction. Now it's the other way around. By doing so, they are just protecting the minister. This is exactly what it's doing.

• (1005)

The Chair: Mr. Aubin.

[Translation]

Mr. Robert Aubin: I simply want to add a comment to what was just said.

I understood very clearly that this amendment would make mine go away, but, most importantly, it would make the whole assessment element that the report could contain go away.

We will end up with a report that, in reality, will be a list. It will be a list of fine achievements, and if there are, that is a good thing. I do agree that they need to be highlighted. However, in that case, we cannot call it an assessment.

A minute ago, amendments that I proposed were rejected, on the argument that the bill had to be allowed to evolve. Well, if the Liberals want to allow the bill to evolve, but we are not providing the tools needed for seeing how it is evolving, I find it hard to see how I could support that. It appears to me to be totally contradictory.

I am therefore going to have to vote against this amendment.
[English]

The Chair: I have Mr. Clarke and then Mr. Sikand.
[Translation]

Mr. Alupa Clarke: I am going to reiterate that in French. That way, it will be a little better, I think.

Some hon. members: Oh, oh!

Mr. Alupa Clarke: No, but that is very serious, Madam Chair.

Under this amendment, the reports would deal with community benefits, and our colleague put it very well: it will be very easy to find community benefits. Actually, projects always produce valuable community benefits. The reports should not address community benefits, though; they should address the real results of each contract.

There you have it.
[English]

Mr. Vance Badawey: Madam Chair...

The Chair: Okay, I have Mr. Sikand and then Mr. Badawey.

Mr. Gagan Sikand: I was just going to say that the amendment accurately reflects the spirit of the bill, because first you receive the report and then you do the assessment, instead of the other way around.

The Chair: Mr. Badawey.

Mr. Vance Badawey: This amendment satisfies two things, something we should be very cognizant of as members of government, and that is, one, accountability, and two, measuring performance on each and every tender that is given out.

The Chair: All right.

We're going to go to Mr. Berthold.
[Translation]

Mr. Luc Berthold: Yes.
[English]

It's my turn.

Like my brother says, every time he speaks, I have something to say.

Some hon. members: Oh, oh!

The Chair: Go ahead.
[Translation]

Mr. Luc Berthold: We are talking about the government's performance, and this is exactly what we find unacceptable. The goal is not to assess the government's performance, it is to assess the performance of projects. We have to know whether we have the time and tools needed for assessing projects, and whether each of the projects has been assessed in order to verify whether it produced the most economic benefits possible for the community.

Adopting this amendment amounts to saying there is no longer any need to do an assessment and we are simply going to announce to the public how many community benefits the projects produce. In

fact, we can already tell you what the reports are going to say. It might look like what we see in Mr. Schwartz's presentation:

Taking figures from the last three years, we see that 93 per cent of construction contracts awarded in the Atlantic Region went to suppliers located in the Atlantic region. That figure was even higher in Ontario and Quebec Regions at 98 per cent.

So the assessments are going to show that 98 per cent of community benefits are attributable to local enterprises.

The effect of this amendment is to remove everything that might have been worthwhile in this bill, and there already was not a lot. In fact, we know the Liberal majority is going to pass this bill. I think that by removing this last element, the Liberals are simply giving themselves a strictly political tool for advertising the government's performance, and not for highlighting community benefits and the people who do the hard work to develop their own communities.

Thank you.
[English]

The Chair: Thank you.

Mr. Clarke, then Mr. Badawey, and then I'm going to call the vote.
[Translation]

Mr. Alupa Clarke: I would like to respond to Mr. Sikand.

I understood very well what you meant. There is the assessment report, but the assessment addresses a completed project. It will change absolutely nothing. You can assess the report 1,000 times; it will not change the fact that the project is completed. If it has not produced community benefits for aboriginal people, for the environment, or for women, it will not be possible to change the facts.

However, your amendment is worded in such a way that the Minister will always report the positive. She will never be able to report the negative.

That is my analysis and how I see things.
[English]

The Chair: Mr. Badawey.

Mr. Vance Badawey: Madam Chair, I want to be clear, based on the comments from Mr. Berthold, the performance being measured is not the government's. It's the project's.

Just imagine how accountable the government will look when they measure the performance on a waste-water project, because it is attached to the environment, it is attached to economic and/or social benefits, compared with having built a gazebo, for example. There's a big difference in the returns that would otherwise accrue over time with respect to the investments that are being made and the measuring of the performance of those investments, in particular, both the tender and the project itself, and what they add to the overall triple bottom-line lens that this government is looking through.

● (1010)
[Translation]

Mr. Luc Berthold: Madam Chair...
[English]

The Chair: Mr. Berthold.

Mr. Luc Berthold: Madam Chair, I know my colleague's intent, but the first version did exactly what he said. Leave the bill as it is and it will do exactly what you want.

The Chair: That's perfect.

Mr. Luc Berthold: Thank you, so please vote like me on this.

The Chair: That's a great way to do it. Your charm might also work.

Mr. Vance Badawey: You're such a charmer, Luc.

The Chair: We have to vote on LIB-2.

(Amendment agreed to)

(Clause 1 as amended agreed to)

The Chair: Shall the title carry?

Some hon. members: Agreed.

The Chair: Shall the bill as amended carry?

Some hon. members: Agreed.

The Chair: Shall the chair report the bill as amended to the House?

Some hon. members: Agreed.

The Chair: Shall the committee order a reprint of the bill as amended for the use of the House at report stage?

Some hon. members: Agreed.

The Chair: This part of the meeting is over. Before we deal with committee business, we will deal with Mr. Aubin's motion. We've had it for several weeks.

Do you wish to speak to it, Mr. Aubin?

[Translation]

Mr. Robert Aubin: Yes. I am going to talk about it quickly, because I do not want to delay the committee's work.

This is a subject that has concerned me for several years now. The list of problems associated with aviation safety just gets longer, month after month and year after year. It seems to me to be entirely appropriate that we look at it and that the transport committee do a study on aviation safety.

One of the safety problems at the top of the list relates to the idea of having a flight attendant on board for every 40 passengers. When the flight goes well and there is no turbulence or forced landing, there could be a single attendant on board for 250 passengers. But that should not be the rule. Instead, we should make sure there is at least one flight attendant on board for each of the emergency exits when the worst case scenario materializes, although we hope it will never happen. Reality is quite different, and even though they are not commonplace, accidents do happen. That is the first problem that needs to be looked at.

Training for inspectors would certainly be a subject that numerous stakeholders could shed useful light on for us. That would allow us to see whether we are moving in the right direction.

There is also the question of pilots' licence renewals; in some cases, that is done using a simulator, and that is now accepted. I always have this sentence in mind, that illustrates the problem very clearly. A pilot once told me that when he went to do his certification using a simulator, he knew he would be home for supper. That is, the adrenaline, the risks and the reality are very different, even if the pilot's cabin reproduced in a simulator is completely identical. The reality is not the same when you are actually piloting an aircraft, as compared with when you are in a simulation. That also needs to be reviewed, in my opinion.

We should also examine the question of toxic fumes and cosmic radiation, which sometimes have effects on passengers, but very certainly have on flight attendants, who are often faced with this problem because the effects accumulate over time.

It seems to me that there are enough angles of attack that we should do a study of aviation safety.

• (1015)

[English]

The Chair: Thank you very much.

Go ahead, Mr. Badawey.

Mr. Vance Badawey: Thank you, Madam Chair.

I think it's a great motion. I'll be supporting this motion.

However, to be more pragmatic with the motion, I'd like to add an amendment to it if I may, Madam Chair, so that the motion actually reads, "That the Standing Committee on Transport, Infrastructure and Communities conduct a study on aviation safety in 2017". This is consistent with the motion that's been presented. I would like to add to it, "and that, in consultation with the members, the chair be empowered to coordinate the schedule and resources required to execute this request."

[Translation]

Mr. Robert Aubin: That is not in my motion because it is implied. I do not see how we could do the study in 2016. So 2017 suits me perfectly.

With respect to consulting the members of the committee, I had understood that this was already our working method. So I see no objection, Madam Chair.

(Amendment agreed to)

[English]

The Chair: If this is adopted today, it would go to our steering committee meeting, which we will be having on the 13th.

All those in favour of Mr. Aubin's motion as amended?

(Motion as amended agreed to)

The Chair: Is there anything else before we go in camera?

Yes, Mr. Hardie.

Mr. Ken Hardie: I just have a quick comment, while we're still in public session, that the French translation today has been absolutely outstanding. These guys sound good.

The Chair: I'm sure they appreciate that.

I will now move that we go in camera to deal with committee business. [*Proceedings continue in camera*]

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