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Chair

Mr. Tom Lukiwski

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• (0845)

[English]

The Vice-Chair (Ms. Yasmin Ratansi (Don Valley East, Lib.)): Ladies and gentlemen, welcome. We are studying the estimates. We have with us both the Department of Public Works and Shared Services Canada.

Madam Lemay, I believe you have 10 minutes of opening remarks. I'd welcome you to introduce your colleagues.

Mr. Parker, I believe you also have 10 minutes of opening remarks, and I would suggest that you introduce your colleagues as well.

The floor is yours, Madam Lemay.

Ms. Marie Lemay (Deputy Minister, Department of Public Works and Government Services): Thank you very much, Madam Chair and members of the committee.

Thank you for this opportunity to discuss the main estimates and the departmental plan for Public Services and Procurement Canada. With me today is Les Linklater, our associate deputy minister, who joined us in early March; our chief financial officer, Marty Muldoon; and Lisa Campbell, our ADM responsible for our military procurement.

Let me first say that our hearts go out to the many Canadians who have been affected by the floods. As you know, our department is responsible for managing federal buildings and vital infrastructure. During the peak of the flooding, our officials closely monitored the situation to assess its impact on our bridges and on our dams.

[Translation]

We also worked closely with the Department of National Defence and other partners, and maintained contingency plans to assist them with any emergency requests for suppliers such as sandbags.

As you know, Public Services and Procurement Canada, or PSPC, delivers a broad range of services that are essential to the federal government's day-to-day operations, from real property management to procurement to translation.

As the government's central purchasing agent, our department strives to use its spending power to generate meaningful economic and social benefits for Canadians.

[English]

For example, it's estimated that contracts awarded to date through the national shipbuilding strategy will contribute close to \$7.7 billion to Canada's GDP and create or maintain more than 7,000 jobs a year, on average, between 2012 and 2022. The strategy is spurring the economy and equipping our navy and coast guard with the ships they need to protect and serve Canadians.

[Translation]

Public Services and Procurement Canada is also home to the translation bureau, which supports the federal government's efforts to communicate with Canadians in both official languages. In February, Minister Foote announced measures to strengthen the bureau's capacity to carry out its mandate.

Two days ago, I announced the appointment of Stéphan Déry as the new chief executive officer of the translation bureau. I am confident that he will provide the leadership needed to build strategic alliances and partner with stakeholders to position the translation bureau for long-term sustainable success.

Here on Parliament Hill, our important rehabilitation work continues. The West Block, the Government Conference Centre and Phase 1 of the Visitor Welcome Centre are progressing on time and on budget and will be ready as planned in fall 2018.

[English]

I will now turn to Phoenix. I would like to begin by reminding the committee members how we got to the current situation.

In 2009 the government approved the transformation of pay administration initiative, which included two interconnected projects—the consolidation of pay services, which led to the creation of the public service pay centre in Miramichi, and the pay modernization project, which focused on replacing the government's antiquated pay technology.

Much of the attention related to pay issues was focused on Phoenix, the technology, but pay consolidation played a significant role in where we find ourselves today. In 2014 this consolidation resulted in the reduction of 700 compensation positions in 46 departments.

[Translation]

Phoenix was implemented in February 2016, and this committee knows all too well that we soon began seeing pay problems. Now more than a year out, many people have asked how this could have happened. Let me share some of the reasons.

First, we had a backlog of employee cases to deal with shortly after Phoenix was launched. We underestimated the learning curve associated with Phoenix. We now know that the change management and common human resources processes were not completed before the implementation.

But most importantly, we lacked capacity in terms of personnel. We did not have enough experienced, knowledgeable pay experts to help transition to the new system or to compensate for the low levels of productivity. These 700-plus compensation employees would have been a game changer had they been available to us.

● (0850)

[English]

Since last July we've taken a number of concrete actions to address and resolve the issues as soon as possible. In June Minister Foote announced the opening of satellite offices. We set up Gatineau, Montreal, Shawinigan, Winnipeg, Halifax, and Kingston with more than 200 compensation staff. We've opened a national call centre and created a feedback form for employees. We provided additional training and regularly updated employees and media through messages and briefing. We made a number of technical enhancements to facilitate and automate processing.

Finally, we worked closely with Revenue Canada to prepare the 2016 tax filing season and created a liaison unit to answer the questions related to taxes.

[Translation]

With these measures, we have made some progress toward stabilizing the pay system.

We have been able to reduce the original July 2016 backlog of 82,000 employee cases to approximately 5,500—4,200 of which are complex acting transactions that will be completed in the coming months.

As planned, we reached a steady state for parental leave transactions in March and for disability leave in April. Transactions received at the pay centre in both these categories are now processed within 20 days, 95% of the time.

In March, we introduced a new enhancement to automate calculations for acting payments.

Tax season was a major priority for the department. To date, we have processed approximately 49,000 amended tax slips for employees as we corrected their pay file and processed their overpayments. Employees who receive amended tax slips do not have to refile. Their taxes will be automatically adjusted.

[English]

There has been some progress but we know that we have so much more to do. Even though we regularly process pay every two weeks for 300,000 employees and we also pay about 50,000 payments in automated overtime, too many employees are still waiting too long for additional payments such as promotions and changes in their files, including transfers. We still hear stories of employees suffering through these delays.

To help we are receiving support from departments and agencies to improve our pay processing speed and accuracy. We just launched

a boot camp with compensation advisory staff from departments. They will be able to process transactions within their department remotely to support the pay centre. Treasury Board is leading a review of the processes being used across the government to approve and submit pay requests. This change management work remains a key to having a well-functioning pay system.

[Translation]

Throughout government, there is a shared desire to serve and support employees, and we will keep taking steps to deliver the best possible pay service.

We are pleased to support and work with the recently struck ministerial working group as they take a whole-of-government approach to resolving this situation once and for all.

There is recognition that, to ensure employees are paid accurately and on time, and have the experience they deserve, a whole-of-government approach—end to end—is required. This additional oversight will ensure the effective implementation of the necessary measures to get us there.

[English]

In conclusion, allow me to spend just a moment on our main estimates to support the government in achieving its objectives.

We are estimating expenditures of \$3.7 billion in 2017-18, a net increase of \$824 million from the year before. This increase includes \$365 million to repair and maintain federal buildings across Canada to ensure they are healthy and secure workplaces, \$106 million for rehabilitation of the Parliament Buildings, \$75 million to rehabilitate other major public infrastructure, and \$68 million to install an environmentally friendly heating system for federal buildings in the national capital region, and other major greening projects.

It also includes \$36 million for continuing the remediation of federal contaminated sites, and \$22 million to provide federal organizations with the ability to accept electronic payments from Canadians. The remaining \$150 million is primarily to address price and volume fluctuation on expenses associated with federal real property.

[Translation]

Our departmental plan reflects these main estimates and our efforts to deliver on the government's priorities.

Our employees are dedicated professionals who take their responsibilities seriously and continually strive to serve our clients better to the ultimate benefit of all Canadians.

● (0855)

[English]

Thank you, Madam Chair. We're happy to take the committee's questions.

The Vice-Chair (Ms. Yasmin Ratansi): Thank you very much for taking less than your time.

Mr. Ron Parker, you have 10 minutes, please.

[Translation]

Mr. Ron Parker (President, Shared Services Canada): Madam Chair, we are pleased to appear before your committee to discuss Shared Services Canada's 2017-2018 main estimates and departmental plan.

With me are John Glowacki, Chief Operating Officer, Alain Duplantie, Chief Financial Officer and Senior Assistant Deputy Minister for Corporate Services, and Sarah Paquet, Senior Assistant Deputy Minister of Strategy.

[English]

Shared Services is mandated to modernize the government's information technology infrastructure. Created in 2011, we deliver email, data centre, network, and workplace technology device services, as well as cyber and IT security services to the departments and agencies across the Government of Canada.

Our work supports the digital delivery of programs and services such as employment insurance, pension benefits, and emergency responses. As outlined in our departmental plan, improving the delivery of IT infrastructure services is our top priority. As a recent example, SSC played a leading role earlier this year in managing the cyber-vulnerability related to a software called Apache Struts 2, which became a worldwide problem for government and private sector systems around the beginning of March.

[Translation]

Canada was well positioned to respond to this threat thanks to SSC's enterprise-wide security approach. This approach provides a better view of government networks and infrastructure, and therefore the ability to take quick and coordinated action for all departments and agencies that are part of our security perimeter.

[English]

Ultimately, all systems and services for Canadians remain secure as SSC coordinated with the Treasury Board Secretariat and the Communications Security Establishment to quickly isolate vulnerable systems and ensure the protection of government and citizen data.

This fiscal year is an important one for us. With our planned 2017-18 budget of \$1.7 billion, we will continue to strengthen cybersecurity and refresh legacy mission-critical IT infrastructure. We will also build on our progress towards achieving our target state. Our goal, for example, is the consolidation of what's now estimated at approximately 700 legacy data centres to seven or fewer enterprise data centres. To date, we have closed more than 90 legacy data

centres and opened two enterprise data centres. Construction is under way for a third enterprise centre in Borden, Ontario.

SSC's main estimates represent an increase of almost \$176 million over last year. This is mostly due to the multi-year funding provided in budget 2016, which we're investing in a number of projects to maintain and replace legacy mission-critical infrastructure, critical IT equipment, and some security investments.

[Translation]

SSC is using these funds to replace more than 40,000 out-of-date components, such as older servers, networks and telecommunication systems.

This includes upgrades to a number of telephone systems, including six RCMP operational control centres in British Columbia for 911 capability.

We have also replaced 3,000 BlackBerry devices for Global Affairs Canada to ensure secure and reliable mobile communications at missions abroad.

[English]

Today many of the government's infrastructure components are reaching the end of their life cycles, and some are no longer supported by vendors. Our work in maintaining legacy equipment is therefore vital to keeping the operations of the government running smoothly to ensure continuity of services to Canadians.

Shared Services Canada also secures the integrity of the network systems and information. As I discussed earlier, the security we provide is a clear advantage for the Government of Canada. It did not exist before SSC.

[Translation]

Our cybersecurity efforts were supported by Budget 2016 funding of \$77 million over five years. Our department collaborates closely with other agencies, such as the Communications Security Establishment, in putting in place security controls.

● (0900)

[English]

This work includes maintaining the integrity of the IT supply chain. To date, Shared Services Canada has performed more than 17,000 supply chain assessments and will continue to incorporate security controls for all of our procurements.

On procurement, I would like to mention that budget 2017 included proposed legislative amendments to make the delivery of IT goods and services simpler, easier, and faster. The proposed changes would amend the Shared Services Canada Act and were part of the budget implementation act.

This would allow the minister responsible for Shared Services Canada to delegate the purchase of certain items, such as workplace technology devices, directly from vendors through SSC's contracting vehicles. SSC will continue to set up IT contracts and ensure economies of scale. As well, we will continue to perform the supply chain integrity assessments to ensure only trusted equipment, software, or services are used in the delivery of services.

We welcome these changes as they will provide better service to our customers while ensuring value for money in enterprise security using our procurement tools.

[Translation]

This coming year, we will update the Government of Canada IT infrastructure plan to modernize IT infrastructure and government-wide cyber and Internet security.

[English]

The updated IT plan will reflect lessons learned from SSC's early experience as well as the broad-based consultations we held last year with SSC employees and other federal public servants, Canadians, and industry. Overall, we received more than 2,500 submissions from stakeholders. The updated plan will also reflect the views of parliamentarians, the Auditor General, and the independent panel of experts commissioned by the Treasury Board Secretariat.

Once the plan is considered by ministers, it will be our road map for the subsequent three years. It will include timelines for moving to a simpler, smarter, and more secure government-wide platform.

[Translation]

We have already taken action on some of the recommendations.

For example, we have developed a service management strategy to deliver service excellence and improve the planning, costing and delivery of our services to customers and Canadians.

[English]

As part of this, we survey chief information officers every month, asking them questions on five key areas: timeliness, ease of access, positive outcome, process aspects, and engagement experience. This past March, we scored 3.2 out of 5, up from 2.71 in July 2016, and the highest we've scored to date. This is an important achievement, reflecting the heroic efforts of our employees. We must continue, because there is still a lot to do.

We are also in the process of renewing all business arrangements with our customers. These arrangements clearly identify the IT services and support we provide, as well as our service performance standards. They are a key part of our commitment to quality service delivery.

We're also increasing the agility of government IT. This includes completing a collaborative procurement process to establish standard and secure access to commercially available cloud services for unclassified data for all of our customers. Among their many benefits, cloud services will permit easier and faster access to compute and storage services. They will also allow government workers to be more innovative in how they offer services to Canadians.

Much remains to be done to modernize government IT, but we are making steady and important progress. We are also proud of the partnerships we have established with our customers and what we've achieved together.

[Translation]

Madam Chair, this concludes my remarks. We would be pleased to take the committee's questions.

[English]

The Vice-Chair (Ms. Yasmin Ratansi): Thank you very much.

As a reminder to the committee, as indicated on your notice, we'll have 10 minutes for committee business after, so we'll have to schedule those 10 minutes.

We'll start off with the first round of questions.

Mr. Peterson, you have seven minutes.

[Translation]

Mr. Kyle Peterson (Newmarket—Aurora, Lib.): Thank you, Madam Chair.

Good morning to our witnesses. Thank you for your presentations.

I have a few questions. I will start with Ms. Lemay.

● (0905)

[English]

It's probably not a shock, but I have some questions about the pay problems that you've discussed. As members of the committee and members of Parliament, we've all heard from our constituents and from federal employees who are having some issues with getting pay or receiving the benefits they're entitled to. I know it comes as no surprise to you, Madam Lemay.

I know I speak for all the Liberals, and I probably speak for all members, that as members of Parliament we obviously find it unacceptable, and we know we have to work towards solutions.

I want to step back. You mentioned some information that was new to me. I'm relatively new to this committee, so I wasn't around last summer and last spring when you also made some presentations. I want to focus on some of the staffing and HR issues that you brought up.

In your comments, Madam Lemay, I think you indicated that 700 personnel were terminated prior to the implementation of the new system. Is that correct?

Ms. Marie Lemay: If you'll allow me, I can give you a bit of background on this.

The project was actually two projects that were happening at the same time. Phoenix is the technology—the modernization. All departments have access to Phoenix, and the pay is paid through Phoenix.

There was a concurrent project called “consolidation of pay”. The idea was to be able to service, through compensation advisers, a number of departments together. In this project, 46 departments were originally targeted to have all their compensation advisers in one pay centre under PSPC at Miramichi. For those 46 departments there is actually a diminution of the equivalent of 700 compensation staff, from about 1,250 to 550.

The 55 other departments that are not serviced by the pay centre, but are using Phoenix, kept their compensation advisers. The consolidation was a further phase that did not take place, so they still have the same number of compensation advisers. That's important because, as you know and we know, it's a major transformation. What you're hearing from your constituents, we're hearing, and it is unacceptable.

It is a unique—and probably the most complex—transformation. There were expectations that with technology like that you would have some things that would happen in getting used to it, and you would need some transition time. The problem is that we had absolutely no resiliency in the system to be able to manage or compensate for some of these things as we were doing the transition, so if we had had those 700 people and kept them maybe another year, for example, I'm convinced that you wouldn't be hearing what you're hearing today. We would be able to service the employees, and we'd be able to process more transactions.

We would still be working through some issues as we implement the system. That would happen, and I'm not saying that all the issues the employees are facing are due to the capacity, but I think the reason you're hearing about the majority of these issues is that we're not able to process fast enough what I'll call the change orders.

Every two weeks we run the pay for 300,000 people, but on any day an employee in the public service has either an acting or a termination, they're going on leave, or they're hired. All of these change orders need a compensation adviser to work on them. That's the capacity we don't have right now. It's taking so long and it's creating a ripple effect, which is absolutely unacceptable.

Mr. Kyle Peterson: Who made the decision to pull these full-time equivalents out of the system? I just can't understand it. You see a brand new system being implemented that is going to be massive. It's going to require a lot of training, and it's going to require skilled personnel, and just on the eve of implementation, a decision is made to get rid of 700 people. I don't understand the logic behind that decision.

Ms. Marie Lemay: I joined the department on April 11, so just after the first wave of implementation.

Hindsight is always 20/20, for one.

The other thing is that we will have answers to your questions, because there are a number of studies happening right now. There is one that's being done on the lessons learned. I'm not sure that originally—a few years back when it was planned—all the stars were going to align this way, but at the end of the day we might see that the two projects were working in parallel. The compensation advisers were actually notified. It was almost a 22-month process to tell people that their job was going to be affected. This was already *enclenché*, so there was pressure at the end to roll out, because people had already been told to look for something else or had already moved to other jobs.

There were a number of factors, but they will be part of the lessons learned, absolutely.

● (0910)

Mr. Kyle Peterson: Thank you.

Also in your presentation this morning, you said that your department underestimated the learning curve. Is this an independent problem from the lack of personnel, or is it also that the personnel who were there weren't properly trained to implement the program?

Ms. Marie Lemay: To be fair, I think that when we look back at the proper lessons learned, there will be multiple points of failure on this. There is not one thing. You will see a number of things add up, and it's going to be that accumulation.

The reason I'm focusing on the capacity is that extra capacity would have mitigated some of this as we were going through the transition, but I believe we did not plan for the impact it would have on the change in even how you do HR in departments. It's change management. Even in common HR processes, the implication of what you enter into HR is directly related to pay now. It's much more than Phoenix and the pay centre. It's Government of Canada end-to-end in each department, and how you handle the different issues and managers having to approve.

It's a question of change management in how we deal with HR, and we truly underestimated that.

Mr. Kyle Peterson: Thank you.

The Vice-Chair (Ms. Yasmin Ratansi): Thank you.

We now go to Mr. McCauley for seven minutes.

Mr. Kelly McCauley (Edmonton West, CPC): Welcome back, everyone. It's great to see everyone again.

Ms. Lemay, I have a question for you, but before that I want to point out a couple of things. We've accessed lots and lots of internal documents through access to information. One of the more interesting ones we found was a report that stated that before you would go live, the backlog had to be cleared by December 15. I can't recall but I think the report came out a couple of months before that. It clearly said to clear the entire backlog by December 15, but in your comments—unless I misheard—you stated that you were almost surprised by the backlog or that there was a backlog. Could you comment on that?

Clearly Public Works was told to clear the backlog, and now you're saying the backlog came afterwards.

Ms. Marie Lemay: Again, and I believe you would know this, a number of studies were done and a number of issues were raised. I think part of another element that influences where we are is that a lot of the risks that were addressed—

Mr. Kelly McCauley: I'm sorry. Could we just get back to the report? It said clear the backlog, and you just said the backlog seemed to come out of nowhere. Were you not aware there was a backlog?

Ms. Marie Lemay: The different reports identified a number of issues. All of these issues were looked at, and we felt that they were mitigated. A lot of the transactions arrived just at the end. Some even happened after we transitioned. Once we transitioned to Phoenix, we got the equivalent, I believe, of transactions for 20,000 employees. These were surprises to us.

Mr. Kelly McCauley: Okay.

The S.i. Systems report stated that Public Works executives, when interviewed, clearly said that staffing was not an issue. Another internal document we found—a briefing note, I think, that went to the minister—said Miramichi was fully staffed and it had plenty of added resources and excess people there to handle it. But now you're saying that's not the truth, and that the lack of these 700 people... even though your own department told S.i. Systems otherwise, which was one of the factors that led you to get the green light to act.

Other internal reports that we have found stated very clearly that you had enough staff, and that staffing was not an issue. Why is there a difference in opinion?

Ms. Marie Lemay: Again, as you know, I wasn't there prior to it and I don't know what the assumptions were at that time. One thing I know very clearly and there is no doubt in my mind about now is that capacity would have made a difference. It would have made a difference for the transition.

Mr. Kelly McCauley: Why did Public Works executives tell S.i. Systems that staffing was fine? Why do other internal documents state very clearly that Miramichi was fully staffed, fully trained, ready to go, with added resources?

Ms. Marie Lemay: I think the issue with this file is that when we look at everything individually, it becomes very difficult to have a holistic and comprehensive view of things. I hope the different studies we're doing will help us to do that, because it could be correct if everything else is also happening with a green light, right?

• (0915)

Mr. Kelly McCauley: You'll have to excuse me for being cynical. It looks like the government is just switching from one excuse to another and trying to find someone else to blame. This is the most recent one.

I want to get back to the current steady state. I got a survey from the Association of Canadian Financial Officers. It did a survey with 1,000 respondents showing that there's a 10% increase in the number of pay issues from last fall—when we said we'd actually have Phoenix fixed—to now, so the problems are getting worse. Of course, PIPSC has just filed a policy grievance on behalf of 60,000 workers. The quote from it is that it does not believe the government's numbers.

The unions are saying it's getting worse. Surveys are saying it's getting worse, but you told us about a month ago, I think, that you were turning a corner. Where are we?

You have to understand why there's such a lack of faith in Public Works and with the whole Phoenix issue. We've been promised so many times: “By October 31, we'll clear this. We'll do this. This was a problem.” Every time it's been disproved and we find new goalposts being set. Why should we have faith in your department or faith in what you're saying today?

Ms. Marie Lemay: I totally understand the frustration of the unions and how the employees feel. We are not working on this in isolation. We are working on this with all the departments and with the unions at the table too.

Just to go back, with regard to the commitment we made back in the fall about the original backlog, you're correct that in October we had only 75% of that backlog done. Then we had committed and,

working with the unions, had identified two categories to prioritize, which were parental leave and disability, because the unions felt those were important categories for their members.

Mr. Kelly McCauley: Do you accept the premise that the two unions have mentioned that things are getting worse?

Ms. Marie Lemay: I've actually met with the FI union. I don't know the date of that survey, but they are doing them on a regular basis. We just process their—

Mr. Kelly McCauley: It was a couple of weeks ago.

Ms. Marie Lemay: We just process their retroactivity, and that part is going well.

I'm not trying to say there are no issues in the system. The issues are still there. The dial moves. If we look at people with no pay, that has gone down quite a bit.

Mr. Kelly McCauley: What you're saying is that it's not getting worse.

Ms. Marie Lemay: I'm saying you have to be qualitative in terms of all of that. No, it's not getting worse. We have reached a place where we have been able to stabilize the queue. We have the initial backlog brought down almost to the end. We've reached a stasis state on two categories. We're looking now at how we're going to organize ourselves to face collective bargaining. That's a huge issue. It has been made very clear this is a commitment we cannot miss. I'm not trying to minimize it. It is a complex problem.

Mr. Kelly McCauley: I appreciate that, and I accept that you're not trying to minimize it. You have to understand that from step one, this whole Phoenix got away from us because of the government's refusal to accept that there was an issue. We heard originally from Minister Foote that it was a great success, then it was only 500 issues and not a big deal. We sat, I think, in this very room in June and talked about T4s being an issue, and we were told not to worry, that it wasn't going to be an issue and that they had a plan. The T4s blew up. It seems that every step of the way there's been a denial of how big this problem is.

The Vice-Chair (Ms. Yasmin Ratansi): Thank you.

Mr. Christopherson, welcome to the committee.

Mr. David Christopherson (Hamilton Centre, NDP): Thank you, Madam Chair. It's a pleasure to be here.

Phoenix, what a shemozzle, eh? Listen, I'd like to turn to page 39 in the departmental plan. At the very bottom of the page it says, “The Department will also continue to ensure that pension transactions are processed within established timeframes”.

If we flip over to page 41 and look at the middle of the page in the chart, under performance indicators it says, “Percentage of pension transactions processed within established timeframes”. We just read that you were going to continue to process them within established timelines, but your target is only 95%.

Also, when we look back to 2013-14, it was 100%. In 2014-15, it dropped to 98.3%, and last year it dropped to 97.8%, and now your ambitious target is to drop it to 95%. Please explain.

• (0920)

Ms. Marie Lemay: I would say that we learned. I think that's the reality, and 95% is what the target can and should be. There are always complex cases, and we have to take the proper time to do this. Sometimes it will take a little bit more than the 20 days allocated to them.

We need to do this right, so the rigorous approach, we believe is the 95...but I thank you for raising that question, because with the pension, one thing we never talked about is that over the summer as this was all going on—

Mr. David Christopherson: Sorry, that's not my question. I have limited time. I apologize, but that's not my issue. That wasn't much of an answer. I'm sorry, but that doesn't cut it. You went from 100%, to 98%, to 97%. You tell us that you have an aggressive plan to fix these things, but your target is only 95% when just a while ago we were at 100%.

Then in your statement—and this is where the disconnect is—you say that the department will also continue to ensure that pension transactions are processed within established timelines, and then you turn around in the documents and the data says your target is only 95%. That, at best, is a 2.75% increase. That's barely inflation.

Let's move to another one in the same area, page 39. “Having finalized this multi-year project, PSPC will embrace further innovation with a view to increase program efficiency and effectiveness”. Wow.

Then we take a look at page 41, again under performance indicators, “Cost per account (GC-wide) to administer the Public Service Pension Plan (PSSA)”. In 2013-14 it was \$155.12, then it went up to \$165.32, then to \$165.50, and now it's going to \$178. Yet you just finished saying in the language that you were going to embrace all this innovation and all this increased efficiency. Where the heck is it?

Look at the next one: cost per account to administer the Royal Canadian Mounted Police. You took over the issue. The first stats we have is 2015-16 at \$135.78 per. The government took it over from the RCMP, and now you're projecting it's \$156.

Tell me, where's your efficiency, effectiveness, and innovation there?

Ms. Marie Lemay: First, on the target, I would like to say that we'd rather set a target that we know we can meet. If it's 100%, we put 100%, and we know, because of the stream, we can, so that's on target.

In terms of efficiency, you're making me think that we should now also start reporting on quality of service and service standards, because that has an impact, too. It's a very good point that we're going to include so that we can balance the message.

Mr. David Christopherson: I didn't hear an answer. I asked you to justify, stating that “Having finalized this multi-year project, PSPC will embrace further innovation with a view to increase program efficiency and effectiveness”.

That's what you said. Words matter. This is a report. When we look at the data, we see that you're going in the other direction. It's less efficient and costing more money.

Explain.

Ms. Marie Lemay: This is for the coming year. As I was about to say earlier, we have added some accounts to the pension program this year. Actually, we're pretty proud of the way it happened, because we did manage to get back to the service standard, but we have to have a transition period and transition costs, so we are embracing the technology to reduce—

Mr. David Christopherson: I'm sorry, deputy, are you kidding me? We get better answers in the House.

Let's move on.

Let's move on to page 46, “Percentage of documents translated and revised for Parliament within the deadline.” In 2013-14, it was 96.99%. In 2014-15, it went up to 97.45%; then in 2015-16, it dipped down a bit to 96.7%. Your target again is lower than this year's actual.

Ms. Marie Lemay: I was going to say that—

Mr. David Christopherson: Don't just tell me that you can't do 100%, because that's not cutting it here.

Ms. Marie Lemay: We're comparing apples to oranges, I think, because it's the actuals and the targets. We're putting a target and we're actually—

Mr. David Christopherson: I'm asking why your target is below what we had last year. You keep talking about all these ambitions in here—innovation, efficiency, momentum, and there's a lot happening—yet the documents and the data tell us you're going in the opposite direction.

• (0925)

Ms. Marie Lemay: The target would have also been 95% the year before and the year before that. It's a question of setting the target and then having the actuals.

Mr. David Christopherson: Look at the one below, at the next one right underneath. I love this one, “Percentage of clients satisfied with services provided by the Translation Bureau.”

For some strange reason, and it would be interesting to know why, in 2013-14 there was no survey done. That's interesting. In 2014-15, it was 86%. Then it was 87.4% under “Actual Results”, and again, your target is 85%, less than the result you had last year. This is in terms of what you hope people's attitudes are.

Ms. Marie Lemay: That's exactly what it is. The target would have been 85%, and we report on actuals, so the target is 85%, the actual is.... We're not comparing the same thing.

The Vice-Chair (Ms. Yasmin Ratansi): Mr. Christopherson, you've run out of time.

Mr. David Christopherson: That's a shame because I was having a lot of fun.

Thank you very much, Chair.

Deputy, thanks for your answers.

The Vice-Chair (Ms. Yasmin Ratansi): Yes, you were having a lot of fun.

We now go to Madam Shanahan for seven minutes.

Mrs. Brenda Shanahan (Châteauguay—Lacolle, Lib.): Thank you, Madam Chair.

I also have the pleasure of serving on the public accounts committee with Mr. Christopherson, and I think we want to be looking at the Auditor General's report. I'm looking forward to that, on the whole Phoenix situation, later on this year. That would, I think, shed some light on a lot of these issues.

For now, I'd like to turn my attention to the procurement of goods and services for our men and women in uniform. According to page 17 of the 2017-18 departmental plan, the department, Public Works, talks about working closely with the Department of National Defence and Innovation, Science and Economic Development Canada to support the due diligence activities required for an open and transparent competition to replace CF-18 fighter aircraft.

I know that jet procurement is an unconventional purchase. Can we count on the industrial benefits, the economic growth, and the job creation that should go along with that, according to the Defence Production Act?

Ms. Marie Lemay: I will tell you one thing before I let my colleagues fill in. This is an absolutely important element that has been raised by the ministers. It is something that we have to do, so I will turn it over to my colleague to tell you how we're going to do that.

Mr. Les Linklater (Associate Deputy Minister, Department of Public Works and Government Services): Absolutely. Thank you for the question. It's a pleasure being here this morning.

We have worked very closely and continue to work with our colleagues from ISED and DND on this project. Clearly, we will need to see the results of the defence policy review so that we can move forward with engagement with the supplier community and with allied governments on this project. We've set up very extensive governance at the deputy level and at the assistant deputy minister level to ensure that all the departments that have a role to play—DND as the client, and ISED and PSPC as the service providers—are able to support an open and fair competition.

As Madam Lemay stated, respect for the ITB policy is very high on the priority list for ministers. We are working with ISED, in particular, through our broader approach to how we will maximize those benefits. For further detail, I would ask my colleague Lisa Campbell to carry on.

[Translation]

Mrs. Brenda Shanahan: Good morning, Ms. Campbell.

Can you also talk to us about small and medium-sized businesses? I am especially interested in that topic.

What kind of access do small and medium-sized businesses have to service offerings?

Ms. Lisa Campbell (Assistant Deputy Minister, Marine and Defence Procurement, Department of Public Works and Government Services): That is an excellent question.

As Deputy Minister Lemay said, this is a very important purchase for the government and for Canada's aerospace industry. Once we know what the fleet's size is, our goal is to consult industry stakeholders, both internationally and domestically, here in Canada, to find out how they can participate in the maintenance and support of the Canadian fleet. That consultation is a very important aspect for us because it helps us understand how to maximize benefits for industries.

Mrs. Brenda Shanahan: How can we ensure that they all have access to the offers? Can you elaborate? What is the level of transparency? How can people find out about the offers? How can they be integrated into the supply chain?

[English]

Ms. Lisa Campbell: We engage directly with prime suppliers, but we also engage with the entire supply chain. We do one-on-one consultations with small and medium-sized businesses. We have over 3,000 contacts with them each year. We have a dedicated office, the office of small and medium enterprises, that helps ensure that Canadian businesses in Canada have access to our procurements.

There are also process adjustments that we can do, such as ensuring their non-exclusive bidding arrangements. In other words, SMEs can be part of several teams in a procurement, and that allows them to maximize what they have to offer and maximize the chances of their being successful.

● (0930)

Mrs. Brenda Shanahan: Okay, thank you.

Again, I'd like to get back to this idea about openness and transparency. Madam Lemay, can you talk about how the government is keeping Canadians informed about our progress on various procurement projects, not only the fighter jet replacement but also the shipbuilding strategy?

Ms. Marie Lemay: I'll let Les take this one.

Mr. Les Linklater: Absolutely. If you have the opportunity, I would encourage you to look at the PSPC website, which has very detailed information around the major procurements that are under way. That would include the marine, the land, and the air domains, with extensive information on where each project is in terms of contracting and engagement. There's a very extensive section on the website around project-specific engagement opportunities across the board.

Mrs. Brenda Shanahan: Okay. Thank you very much.

The Vice-Chair (Ms. Yasmin Ratansi): You have one and a half minutes. If you want, you can pass the time over to Mr. Whalen.

Mr. Nick Whalen (St. John's East, Lib.): Thank you very much, Madam Chair.

I'm also very interested, of course, in maritime search and rescue because, coming from Newfoundland and Labrador, it's of great concern to people in our area of the woods. We are really glad to be finally in a position to deliver on the fixed-wing search and rescue capability of the Canadian Armed Forces. I would hope that the deputy minister or perhaps Madam Campbell could provide us some information on where we are with the status of the award of the fixed-wing search and rescue contract and how the industrial benefits of this contract will help Canadian enterprises grow their own capacity.

Thank you.

Ms. Marie Lemay: Thank you for question.

Ms. Lisa Campbell: The government's proud to have awarded the competitive best-value contract that's going to provide a new fleet of modern and effective sensor-equipped aircraft that meets the Royal Canadian Air Force's needs. The contract is valued at \$2.4 billion. It will deliver 16 C-295 fixed-wing search and rescue aircraft, a support system, and five years of maintenance and support across four main operating bases in Canada: Comox, B.C.; Winnipeg; Trenton; and Greenwood, Nova Scotia.

If Canada chooses to exercise all of the maintenance and support options, the contract value would increase to \$4.7 billion. This contract maximizes the participation of Canadian industry, and Canadian companies are going to perform a significant portion of the in-service support work.

I'm proud of the way this procurement was done as well. We are facing some legal challenges, so I won't speak to those. Those matters are before the courts.

The Vice-Chair (Ms. Yasmin Ratansi): Thank you very much.

We now go to the five-minute round with Mr. Clarke.

[Translation]

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

It's nice to hear Mr. Christopherson's response. I think he did a great job of expressing the frustration that, out of politeness, we sometimes have difficulty sharing.

Ms. Lemay, I would like to put a few questions to you about Phoenix.

[English]

Mr. David Christopherson: On a point of order, is my honourable friend suggesting that I was impolite?

[Translation]

Mr. Alupa Clarke: No, not at all.

Mr. David Christopherson: Oh, thank you.

Mr. Alupa Clarke: I'm really sorry.

[English]

Mr. David Christopherson: It's all good.

[Translation]

Mr. Alupa Clarke: It was a good comment.

[English]

Mr. David Christopherson: We pride ourselves on being tough in Hamilton, but we are polite.

Mr. Alupa Clarke: No, you're right.

The Vice-Chair (Ms. Yasmin Ratansi): Mr. Christopherson, you're eating into his time.

Mr. Alupa Clarke: I hope not, Madam Chair.

[Translation]

Ms. Lemay, I agree that the software is not at the source of the problem in this whole business. It's rather a matter of structure.

You said that 700 positions in pay services were cut in 2014. I met a senior official from pay services—I won't say anything more to maintain their anonymity—and this person told me that, between February and April 2016, 250 pay services employees were fired. That was during the period when pay issues related to Phoenix began to arise.

How do you explain that?

Ms. Marie Lemay: That is exactly what I was referring to. Those people were hired 22 months before. Their layoff was planned—people don't disappear from the public service overnight. That was part of the plan to successfully implement two projects at the same time.

Mr. Alupa Clarke: Ms. Lemay, in February, the Gartner report in fact stated that the expertise needed to be retained to make sure the experts on compensation could help new employees at the Miramichi pay centre. Today, you also said that you underestimated the learning curve associated with Phoenix, something you weren't saying a few months ago.

You said that the Minister didn't see the Gartner report, but your predecessor must have seen it. Nevertheless, 250 people were let go two months later. First, I want to say how glad I am to hear you confirm that. Second, it contradicts what you said today because, at the time and despite the situation, you got rid of those positions.

● (0935)

Ms. Marie Lemay: I would like to clarify something, if I may. These compensation staff were not employees of Public Services and Procurement Canada but, rather, of 46 different departments. In fact, 1,300 letters went out to employees in 2014 to let them know that their positions were going to be affected and that they had to either find another job or weigh their options according to a very specific process. Afterwards, 550 employees were gradually hired at the Miramichi pay centre.

That process, however, had already begun within the departments; the decision was not made by Public Services and Procurement Canada. Another factor is also worth pointing out: the departments were already under pressure because they did not have the staff to keep using the existing system.

Mr. Alupa Clarke: I understand, but Minister Foote rightfully said that the problem was not due to the Phoenix software, itself, but that it, instead, had to do with the structural implementation, among other things. She was, however, the minister during half of that rollout.

Ms. Lemay, I can't get over this, but there are still people today who haven't been paid for six months, people like the Drouin family in Montreal. In your monthly updates, however, you say that these kinds of extreme cases no longer exist, that they were dealt with at least five months ago. How is it that people still have not received any pay?

In the Mauricie and Outaouais regions, 4,000 homes are currently flooded. If we assume that there are four people per household, we are talking about 16,000 people who have been affected. As for Phoenix, we are talking about 82,000 cases. Far more people are dealing with Phoenix pay issues than the flooding problems. The issues with Phoenix have sent families into crisis and caused people to lose their homes because they couldn't pay their mortgages. The situation is just as urgent and dire as the flooding in the Outaouais. Prime Minister Trudeau contributed \$1 million to the Red Cross, on behalf of the government. His response was swift. In fact, he surveyed the flood zones by helicopter last night.

It is quite clear that, from the beginning, the government never saw the Phoenix pay problems as urgent or a crisis in need of a quick resolution. How is it possible, Ms. Lemay, that, to this day, there are people who have not been paid in six months?

Ms. Marie Lemay: That's impossible. All of the systems are in place, so I would like that family's contact information. You can give it to me after the meeting.

Mr. Alupa Clarke: It's the Drouin family in Montreal. Their story was reported in the media recently.

Ms. Marie Lemay: All the systems are in place so that we can give them salary advances. I can't understand how this is still happening, and it surprises me every time. Sometimes, people don't know what to do or where to start, so help us communicate the information to them. These systems are up and running, so people have access to emergency salary advances as well as priority payments. The money is there and the systems are in place. People can get in touch with us.

The Vice-Chair (Ms. Yasmin Ratansi): Thank you very much.

Mr. Ayoub, it is over to you for five minutes.

Mr. Ramez Ayoub (Thérèse-De Blainville, Lib.): Thank you, Madam Chair.

Rudeness is sometimes in the eye of the beholder; that's all I can say about that.

I listened to what my colleagues said. I also listened to what you said, Ms. Lemay, about Phoenix. Everyone is concerned, and no one thinks the situation is acceptable. What I have found appalling from the beginning is that people sitting at this table are looking to point fingers, rather than trying to resolve the problem.

Ms. Lemay, you said that this initiative wasn't new, that Phoenix had been in the works for a long time. I will pick up on my colleague's comparison with the flooding situation. What is happening now with Phoenix is the same thing that happens when the floodgates of a dam are thrown open. Water pours out, and the focus is on stopping the flow and closing the floodgate.

Mr. Alupa Clarke: The dam is—

Mr. Ramez Ayoub: Please let me finish.

This is akin to pointing the finger at those who are participating in the cleanup and who are first on the scene to respond, once the floodgates have been shut. Such a comparison is beyond me.

Like Ms. Lemay, I am surprised by the Drouin family's situation. Phoenix has received considerable attention thus far, both in Parliament and in the media. An entire process is in place to manage the problem and help someone if they have not been paid. Employees have supervisors, and their supervisors have supervisors. The Drouins' case needs to be examined more closely. They have not been paid in six months, so I really feel for them, but I must say that I find the situation unusual and a bit strange. I will leave it at that.

All that to say that I know you are working very hard to fix the situation, Ms. Lemay, and that you have an action plan. What are your targets under that plan? Everyone wants to know when this will all be over. It isn't easy on anyone.

All pay systems make a certain number of errors. No system runs smoothly 100% of the time. Although that would be nice, it's not realistic.

Could you detail your short- and medium-term plans in response to a decision made by the previous government?

• (0940)

Ms. Marie Lemay: Thank you for the question.

In February or March, we released our approach to reaching steady state in each category. We consulted with the unions to identify the first categories, those affecting the most employees, and we were able to resolve the issues around parental leave and disability leave.

Our plan focuses on three elements. In terms of capacity, I would say that resources play a huge role. If we could have more staff right now, it would make a difference. Since June, we have basically been holding up a sign that says, "We are hiring". Our doors are open to any compensation officers who would like to come work for us. The unions have put out calls, but this expertise is rarer than it used to be. We are exploring all options, including training new people. We are in the midst of reviewing our training to make sure we have the largest number of qualified people.

We have as many people as we can get, but if others are interested in joining us, they are welcome.

Mr. Ramez Ayoub: What kind of assistance is IBM, the system integrator, providing to help with the processing of pay transactions?

Ms. Marie Lemay: That ties in with the second element of our plan, which revolves around technology. We looked at automating certain tasks. For instance, I announced that we had automated pay processing for all those in acting positions. The system in place did that for the current pay period, but not for everything prior to that. Those calculations have been automated since the end of February, and it has made a big difference. As a result, the processing of payments for acting employees is now automated when the data are inputted a week or two later. In the vast majority of cases, they receive the payments and it's over. Only a small part of the work needs to be done manually.

We are working very closely with IBM to see these initiatives through, and to take further steps to speed up the process and make compensation officers' jobs easier.

As for the third element of our plan, I would point out that Public Services and Procurement Canada is not the only department using the system. HR managers government-wide use the system. Initially, they weren't properly trained. A change in culture is therefore very important. We are really working alongside Treasury Board and all the departments to make that improvement.

[English]

The Vice-Chair (Ms. Yasmin Ratansi): Thank you very much.

We now go to Monsieur Clarke for five minutes.

[Translation]

Mr. Alupa Clarke: Thank you, Madam Chair.

It's unfortunate to be on the receiving end of such low blows. The merits of a committee member's questions are not for judging, Mr. Ayoub. Like you, I want to be part of the solution. At the end of the day, however, every government is responsible for its own actions.

I want to talk about the structure around the implementation of Phoenix. If it wasn't ready, why, then, did the minister make the decision, on February 24, 2016, to go ahead with the rollout, when she hadn't seen the reports? It is, after all, rather incredible that the minister shirked her ministerial responsibility. If 700 employees were actually laid off by the previous government—something that was never really confirmed—and if that reduction in staff caused problems with the implementation of the new system, why did the minister make the decision to go ahead?

That's the problem. The Liberal government has to answer for this, because it made the decision to go ahead with the rollout of Phoenix, not the Conservatives.

Why, then, Ms. Lemay, despite all your information, did the minister give the green light on February 24, 2016?

• (0945)

Ms. Marie Lemay: I will repeat what I said before. First of all, the system had been in the works for months. Second of all, the affected employees were laid off, or received their letters, in waves. The process took between 18 and 22 months, so this wasn't something that happened overnight.

Mr. Alupa Clarke: But it is something that could have been cancelled.

Ms. Marie Lemay: As I already told the committee, the minister was told that the system was ready. That's very important, so it bears repeating. According to the only briefing she received, in February, everything was ready for the rollout.

Mr. Alupa Clarke: Ms. Lemay, after the election, the Right Honourable Stephen Harper decided to postpone the rollout by three or four months. The minister could have done the same thing in February, since the reports clearly indicated that the system wasn't ready. It was noted earlier that there were structural deficiencies and knowledge gaps associated with the system, and that it was crucial to recover compensation expertise. On the contrary, some 250 employ-

ees were laid off during the first waves. I'm glad you confirmed that figure.

What's more, you said the desperate situation of the Drouin family in Montreal was unfortunate. The parallel I drew with the floods is very apropos. Under such circumstances, people shouldn't be expected to come to us for help; we should be the ones offering them help. Members of the military were deployed, and the Prime Minister went to the flood zone. Mr. Couillard has also been on the ground for at least 10 days. Members have been to the area as well. In this case, thousands of families have been devastated. The Liberal government has an obligation to reach out to families who are in desperate situations.

Why, then, do you expect them to reach out to you for help? You have to be much more proactive and reach out to them.

Ms. Marie Lemay: I am open to any ideas you have.

We have been working with the unions on how best to communicate the information to employees. I, alone, have given 18 press conferences to get the information out there, and I send emails to some 300,000 employees whenever I hold technical briefings. On top of that, we have appeared before the committee numerous times, and the unions communicate with their members in writing.

I agree that it's unfathomable, not to mention unacceptable, for the Drouins to be in the situation they are in because of pay problems. I am completely open to any and all suggestions.

Mr. Alupa Clarke: Thank you, Ms. Lemay.

Switching gears now, I'd like to ask both you and Ms. Campbell about the procurement of the 18 Super Hornets, which is a special case because it will not be based on a competitive process.

Have you asked the Department of National Defence to provide you with a letter clearly explaining the special circumstances warranting a non-competitive procurement process, in accordance with paragraph 3(1)(g) of the Government Contracts Regulations? I just want to know whether your department followed its legislation and policies.

Ms. Marie Lemay: I can assure you that we applied all of the department's applicable legislation.

Mr. Alupa Clarke: Did you receive a letter, then?

Ms. Lisa Campbell: Thank you for your question.

In this case, we are talking about a potential acquisition, and the relevant provision exempts the government from contracting rules when the contract seeks to fulfill an interim operational requirement. That goes hand in hand with the competition to permanently replace the fighter fleet. The measure is possible in that context.

I encourage you to check our website for regular updates as the process moves along. Most recently, we submitted a letter of request to the U.S. government. We have an office in Washington managing everything. At the same time, we are in talks with Boeing about the equipment costs and specifications.

Mr. Alupa Clarke: As long as the government is exploring the potential acquisition of the aircraft, you don't need a letter from the Department of National Defence. Is that correct?

[English]

The Vice-Chair (Ms. Yasmin Ratansi): Thank you.

Now we go to Mr. Whalen for five minutes.

Mr. Nick Whalen: Thank you very much, Madam Chair.

Thank you all for coming today. You can probably see and hear in the room that the temperature is very high on the Phoenix issue.

I appreciate, Madam Lemay, that you were not there through the pilot and that you came after that, but of course the information the committee has received since this became an issue has been at times a bit conflicting. It's also a bit confusing, and it's difficult for us to wrap our heads around it, but we need to be able to trust the information that comes from the civil service so that we understand that we're moving forward.

This is just a yes-or-no question. Do you feel that the department is now sufficiently staffed to handle the backlog, resolve the issues, and handle summer employment and various other issues, so that we will actually get to ground on the Phoenix issue in a reasonable amount of time?

• (0950)

Ms. Marie Lemay: I apologize if I don't answer this by just a “yes” or a “no”, because we have made the priorities.

We are—

Mr. Nick Whalen: The question is, are you sufficiently staffed?

Ms. Marie Lemay: It depends on timing.

Mr. Nick Whalen: Are you sufficiently staffed?

Ms. Marie Lemay: We are staffed to get through all of the work in the longer term. The more people we have, the shorter the time it will take. That's the point.

Mr. Nick Whalen: Madam Lemay, do you feel you are sufficiently staffed, because this is the—

Ms. Marie Lemay: I would prefer to have more staff.

Mr. Nick Whalen: Okay. How many more staff do you feel you should have to get this to ground in a reasonable amount of time?

Ms. Marie Lemay: It depends again on what you call “a reasonable amount of time”. There are so many factors. We are looking at this right now, because collective bargaining is a really important element. We're doing that analysis to identify what would make a difference and what would ensure that we can actually integrate all that.

Mr. Nick Whalen: I don't think anyone believes that we're going to save \$70 million per year with this system.

Mr. Kelly McCauley: Not anymore.

Mr. Nick Whalen: I'm asking again how many people you feel you would need to be able to have Phoenix do the jobs it will continually need to do, given that labour issues, new union agreements, collective agreements, summer students, and T4s happen every year.

Ms. Marie Lemay: Just to be clear, the long-term, ongoing level is one thing.

I think there are two things here. There is the queue that we have to get through, and that's the really important one—

Mr. Nick Whalen: I understand. How many more people do you feel you need to get to ground on the problems, understanding that union issues, which you had mentioned as one of the conflicting factors, will be something that happens forever?

Ms. Marie Lemay: That's what we're analyzing right now, the short term and the longer term, because I think we might be—

Mr. Nick Whalen: We would very much like to hear a number soon.

Ms. Marie Lemay: Okay.

Mr. Nick Whalen: With respect to the other question that Mr. Christopherson raised, I would like the department to provide us with a briefing note on how the service levels feed into both employee bonuses and the continuous improvement process. Mr. Christopherson made a good point that it's not clear how the new resetting of targets drives continuous improvement. We would love to see a briefing note on how you use that in continuous improvement and also how you use it in the bonus of employees process, so we can understand...or any other reason you use the targets.

If I may, I'll move to another item for Shared Services Canada. I've always had a bit of concern as to why there is any procurement function within Shared Services Canada and not merely within the department. Shared Services Canada could tap into the department just like all the other ministries are required to do.

Madam Lemay, about how much extra does it cost to add a new SKU to your online procurement portal?

Ms. Marie Lemay: I'm sorry. Was that question for...?

Mr. Nick Whalen: No. It's for Madam Lemay.

You have an online portal for procurement within your department.

Ms. Marie Lemay: Do you know that, Lisa?

I'm sorry—

Mr. Nick Whalen: Your department does procurement.

Ms. Marie Lemay: I'm sorry. I thought the question was for Ron, so I apologize. I wasn't fully—

[Translation]

Mr. Nick Whalen: My apologies. I can repeat the question, if you like.

Ms. Marie Lemay: Yes, please.

Mr. Nick Whalen: Okay.

What is the cost of each stock-keeping unit on your portal, where people can purchase pens and other office supplies? Do you already have a system for all of those things?

[English]

Ms. Marie Lemay: I'm sorry. I don't mean to be.... It's just that I'm not sure I understand exactly what the question is.

Marty, do you have something on that?

Mr. Nick Whalen: The department has an online portal for purchasing.

Ms. Marie Lemay: Yes, we do, absolutely.

Mr. Nick Whalen: How much does it cost to put a new SKU into that portal?

Ms. Marie Lemay: By "SKU" do you mean a new item?

Mr. Nick Whalen: Yes. That's a stock-keeping unit.

Ms. Marie Lemay: Okay.

Ms. Lisa Campbell: I think the question is referring to our Buyandsell.gc.ca website, which is where we post all of our tenders and where suppliers can go every day to look for opportunities.

Mr. Nick Whalen: Yes, and I'm assuming that you don't necessarily know what it costs.

Mr. Parker, I would also like to know this. Do you have a completely separate buy-and-sell system for tech?

Mr. Ron Parker: We have a procure-to-pay system.

Mr. Nick Whalen: Do you guys use Buyandsell.gc.ca?

The Vice-Chair (Ms. Yasmin Ratansi): Mr. Whalen, your time is up, but Mr. Parker can answer the question.

Mr. Ron Parker: We do at times use Buyandsell.gc.ca. It depends on the nature of the goods and services being acquired.

The Vice-Chair (Ms. Yasmin Ratansi): Thank you.

We now go to Mr. Christopherson for three minutes.

Mr. David Christopherson: Wow, a whole three minutes.

Deputy, I want to pick up on something you just said. In terms of staffing, there was the long term and there was the short term. If I understood correctly, you said that in the short term you would prefer more staff or that's an area where you could use more staff. Is that correct?

Ms. Marie Lemay: That is correct, and we've made that very public. If there are compensation advisers who want to come and work with us, we will hire them to help us get through the—

• (0955)

Mr. David Christopherson: Here's the thing. Here is why that kind of struck me. Up until now.... When I read this and listen to the testimony, it all sounds like you've done everything humanly possible. The argument the government members have made is that this thing is a huge problem, and the Cons and the Libs keep fighting about who screwed it up. Let them fight that one over.

The idea is that everything is in place to deal with this, yet I'm hearing that there is a major gap. I don't understand why the government hasn't responded. To me, the second the minister heard—and I assume she has—what you have to say and that you need more people for the short term, that would have been the priority. I agree, it would have been on par with the flooding crisis. This is a crisis for people. Anyway, help me.

Ms. Marie Lemay: It has been. We had no restriction for that. What I am saying is that we can't get these people. We've shaken the trees. We went to the union—

Mr. David Christopherson: If the media reports that you were prepared and you have the money and the authorization to hire all these people but they are not out there, that's the problem.

Ms. Marie Lemay: We've asked compensation advisers within the government, and even from outside, whether they want to come and work, and help us. We've said that. It's out there.

Mr. David Christopherson: Have we reached out to other Commonwealth countries? In other crises, we've reached out beyond our borders to bring.... This is a crisis. People are hurting. Families are hurting. I've just heard about a major gap in the government's activities, and I'd like to know why that gap is not backfilled. You are telling me that everything is there except the people, and I find it hard to believe that's the end of the action.

Ms. Marie Lemay: Part of the issue is that the expertise of compensation advisers has actually dwindled—I don't want to say "disappeared". Part of what we will have to do is find different, innovative ways to train, which is what we are doing right now. We are setting up boot camps with departments to train people. We are doing all that to build up that capacity, but it is no longer there within the government. People have been replaced or have left.

Mr. David Christopherson: Let me understand. You are doing everything you can, and everything is in place. The only problem right now is that you can't find the skilled people to come in and do the work. That's the only problem. You can't find them.

Ms. Marie Lemay: I would not say it's the only problem. As I said earlier, there are multiple aspects to this. You can't reduce it to one thing.

Mr. David Christopherson: No, but I'm trying to identify a gap that you raised. I didn't raise it; you did. You said that you could use more staff.

Ms. Marie Lemay: Yes.

Mr. David Christopherson: I'm trying to identify what the government is doing about it. What I heard you say was that you have everything in place but you can't find these people. I'm just trying to establish if that's your testimony.

Ms. Marie Lemay: Compensation advisers are welcome. We want to have them, so we are training people at boot camps in the departments. If there are compensation advisers in the departments, I would—

The Vice-Chair (Ms. Yasmin Ratansi): Thank you.

Mr. David Christopherson: I have a funny feeling that once that's out there across the country, we're going to hear a different story.

Thank you, Madam Chair.

Ms. Marie Lemay: It would be wonderful if we could get them, if there are people.

The Vice-Chair (Ms. Yasmin Ratansi): Okay, we'll go to the next round. We'll probably end up with one full round, and then we'll play it by ear.

We'll go with Mr. Ayoub, for seven minutes.

[Translation]

Mr. Ramez Ayoub: Thank you again.

Switching topics, I want to talk about the service agreements with the YMCA in Montreal's Complexe Guy-Favreau.

You recently entered into a lease agreement with the organization. Ten years ago now, the previous government gradually withdrew funding from the centre, which serves people in vulnerable situations in Montreal. I would like to know more about the agreement.

The community centre serves a varied clientele, 33% of whom are immigrants. One in three residents lives in poverty or has a low income. That is extremely important. I think the centre's management is quite happy about the temporary one-year agreement.

I would still like to know more about the negotiations and what stage the plan is at. Could you please tell us more?

Ms. Marie Lemay: As you know, we apply the Treasury Board rules when we negotiate the leases. Unless I'm mistaken, there was a 10-year transition to reach market value.

We reached an agreement with the group, and we're pleased about it. We're giving the group one year to determine how it can restructure or find ways to meet the standards.

Mr. Ramez Ayoub: Are you helping these people?

Do they give you a plan, or do they ask you to trust them if they submit a new plan that enables them to become independent within a year?

• (1000)

Ms. Marie Lemay: Our teams were in contact with them as part of the negotiation. That said, the YMCA group must do most of the work. These people must determine how to meet the obligations. However, we'll be pleased to speak with the group's representatives if we can guide them.

Mr. Ramez Ayoub: So there's nothing planned for the future if things don't work in the last year.

I'll now move on to the translation bureau, which obviously plays a very important role in meeting the linguistic needs of Parliament and the federal government as a whole.

The government is committed to renewing the translation bureau and to creating a centre of excellence ready to embrace innovation, adopt leading-edge practices and recruit the best in class. Ms. Foote, Minister of Public Services and Procurement, announced and detailed a plan for investing in the translation bureau in 2017.

I want you to talk about these investments and to provide more details. I also want you to update us on the status of the plan's implementation.

Since we're only at the beginning, there must still be a number of tasks to accomplish. Is that true? What remains to be done?

Lastly, can you provide an overview of the situation?

Ms. Marie Lemay: As you can likely imagine, the translation bureau's workload has increased significantly in the past year. We still have a great deal to do, given the minister's announcement. The selection of the bureau's president and CEO was very important. The president and CEO will give the bureau a boost and provide leadership.

I'm happy to tell you that we announced the appointment of Stéphan Déry two days ago. The position was open externally and internally, which isn't always the case in the federal government. Moreover, the selection committee included a colleague from Canadian Heritage and a person from the outside. We wanted to attract a range of strong candidates and carry out a rigorous selection process. We're very pleased that Mr. Déry was chosen. He'll start working after the May long weekend.

One of his first tasks will be to select the chief quality officer, as announced by the minister. It's very important, given that the translation bureau will be focusing on service quality in the future, and all the investments will be made in that area.

In terms of students, you know what the minister announced. We'll follow up on that.

Mr. Ramez Ayoub: Is the goal still to hire 50 students a year?

Ms. Marie Lemay: Yes, that's the minimum. I'll have to check whether we've managed to surpass that goal.

Next time, I'll be happy to share how we've progressed since the arrival of the new president and CEO.

Mr. Ramez Ayoub: Thank you.

My next question concerns Shared Services Canada.

Page 16 of the departmental plan mentions five risk factors faced by all departments. You should probably discuss these factors with people from all the departments in order to fully address them. In another meeting, we discussed the secure tendering process, which, for national security reasons, is less transparent.

Does this apply to an IT transformation?

Mr. Ron Parker: The security measures apply to all Shared Services Canada's purchases. The staff security review also applies to all employees, based on the nature of their work.

Mr. Ramez Ayoub: I imagine that it's a very comprehensive process. Certain IT systems are aging. Many changes have been made in this area. Cybersecurity and IT security services are sensitive, and we consider them risk factors. You may need to make purchases that aren't disclosed for national security reasons.

• (1005)

Mr. Ron Parker: All our procurement activities are public.

Mr. Ramez Ayoub: 100% of them!

Mr. Ron Parker: Yes, all of them.

Mr. Ramez Ayoub: Thank you.

[English]

The Vice-Chair (Ms. Yasmin Ratansi): We'll now go to Mr. Clarke for seven minutes.

[Translation]

Mr. Alupa Clarke: I want to share the Drouin family case with the committee. The case was featured in the *Journal de Montréal* just two weeks ago, on April 29, 2017. It's not a secret.

We're no longer supposed to have serious cases, but Mr. Drouin hasn't been paid in six months. Two weeks ago, the article in question quoted Mr. Drouin as follows, in French:

I'm completely in limbo. I feel abandoned in this situation, and I don't know whether I'll be paid eventually. I'm in debt. Everything is on credit cards. ... I may face bankruptcy.

Ms. Lemay, don't tell us that your department doesn't follow the information released in the media. It's impossible. Your department is well aware of this family's story. I don't like focusing on specific cases. However, it's tangible proof that, even though the backlog is clearing, there are still extreme cases today. It's unacceptable and incomprehensible. With all the efforts made, how can people not have been paid in six months? It's ridiculous.

Ms. Marie Lemay: You're right. We follow the news. Personally, I'm not aware of the case, but I'll check it as soon as we leave this meeting room.

Mr. Alupa Clarke: Thank you.

Mr. McCauley, I'll give you the floor.

[English]

Mr. Kelly McCauley: Ms. Lemay, how many incorrect T4s were issued?

Ms. Marie Lemay: So far this year we've issued 41,000 amended T4s and close to 8,000 amended Relevé 1s. That's about 49,000 amended tax slips so far, and we'll be issuing more between now and the end of May.

Mr. Kelly McCauley: So it will probably be about 50,000 all together.

Ms. Marie Lemay: I'd say more like probably 60,000.

Mr. Kelly McCauley: How did that happen? I realize there are issues with Phoenix, but we brought it up in July and we brought it up the next month at committee. We brought it up in September and people said there was a plan, yet 60,000 people are wandering around with the wrong T4s.

This gets back to my issue with Phoenix, that at every step of the way we've known there were issues but they just seem to have been brushed aside as though they weren't a big deal. This seems to be just one more example of "It's not a big deal". The Prime Minister himself stated that we didn't pay enough attention to it. How can we be assured that we are paying enough attention to it? Mr. Clarke just brought up a situation of someone not having been paid since October. All we're getting is platitudes and "don't worry about it." We are worried about it, and I don't think we're getting a strong sense of confidence that it is being addressed properly and it is being fixed.

Ms. Marie Lemay: If you get the sense from me that we're brushing you aside and not taking this seriously, then I'm sorry but that's not at all the case.

Mr. Kelly McCauley: That's the information we're getting.

Ms. Marie Lemay: Every issue that you have raised we've looked into.

Mr. Kelly McCauley: We were told a short while ago that you were turning the corner, but now we're hearing from the unions that it's getting worse.

Ms. Marie Lemay: But we have turned the corner. We have been able to stabilize it. There are things that are getting better. There are also new things that we are now facing and that we have to address. This is ongoing.

To come back to the T4s, that happened because, as you will remember, there were a number of overpayments that were—

Mr. Kelly McCauley: Actually I'm going to move on, because I'm short on time.

Bill C-344, which is just making its way through the House right now, gives the minister the authority to require an assessment of the benefits a community derives from a construction, maintenance, or repair project.

Have you done a cost analysis on how much this could end up costing the government, costing the taxpayers, if this bill passes?

Ms. Marie Lemay: I will defer to see if Les has anything on this, because I don't have that information.

Mr. Les Linklater: We don't have that information with us but we can go back and provide it to the clerk.

Mr. Kelly McCauley: You don't have the information as to whether you've done an analysis, or you don't have the analysis?

Mr. Les Linklater: I'm not sure we've done the analysis. I'll have to verify that and report back to the clerk.

Mr. Kelly McCauley: For the last year and a half, we've been bringing up the fair wage policy that has been in and out of the minister's mandate. Have you done an analysis on what the cost will be to the taxpayers for that?

The other part of the question is how you reconcile the difficulties of small and medium-sized enterprises in doing business with the government as it is. One of their biggest complaints, of course, is the amount of red tape they encounter.

Has analysis been done on Bill C-344 and the fair wage policy, and how much extra red tape these small and medium-sized enterprises are going to encounter in dealing with the government?

• (1010)

Mr. Les Linklater: On fair wages, we are working with our colleagues from Employment and Social Development Canada on policy options, which will likely be moving forward over the course of the next number of months.

Mr. Kelly McCauley: Have you done a cost analysis on what it will cost taxpayers?

Mr. Les Linklater: We will be working with ESDC, so that will be part of the work that's ongoing with them now.

Mr. Kelly McCauley: So you will be doing a cost analysis.

Will you be doing analysis on the extra red tape or burden that's going to be placed on small and medium-sized enterprises if these changes are made?

Ms. Marie Lemay: Can we get back to you on that? I don't know that we have the answer to that.

Mr. Kelly McCauley: Sure. Mr. Clarke has a quick question.

[Translation]

Mr. Alupa Clarke: Ms. Campbell, I want to take another look at the potential acquisition of 18 Super Hornets. I'm pleased that the acquisition is still only a possibility.

Mr. Ferguson prepared a report on the potential acquisition of F-35s in 2011. The acquisition was considered a possibility at that time as well, based on what I know about the case. However, Mr. Ferguson specified in his document that Public Works and Government Services Canada and the minister at the time erred by not requiring a proper letter from the Department of National Defence, a letter that would have clearly stated the reasons for not proceeding with a tendering process.

As Mr. Ferguson said, the reasons were simple. It was the F-35 joint strike fighter program, which would have created tens of thousands of jobs in Canada, and so on. The Department of National Defence would have needed to clearly explain the reasons. However, the acquisition wasn't confirmed yet.

I may have trouble understanding how this works. However, how is it that you haven't yet received a letter from the Department of National Defence explaining why the potential acquisition should be an exception to the rules?

[English]

The Vice-Chair (Ms. Yasmin Ratansi): You've used up your time.

Mr. Alupa Clarke: She must answer, please.

Ms. Yasmin Ratansi: The committee agrees. You have 30 seconds.

[Translation]

Ms. Lisa Campbell: Thank you for the question.

[English]

To go back to the government contracting regulations, paragraph 3 (1)(g) provides for an exception to government contracting

regulations "for operational reasons, to fulfil an interim requirement for defence supplies...on an interim basis, and any related contract."

In March, we submitted a letter of request to the United States government, explaining what the air force needs and what costs and capabilities we are looking for. The government's needs have been expressed to the United States government. We're also talking with Boeing about industrial benefits. We'll see whether this meets the cost capabilities and schedule requirements we're looking for.

Meanwhile, we're working hard on the competitive procurement process, which we hope to launch soon.

The Vice-Chair (Ms. Yasmin Ratansi): Thank you.

Mr. Christopherson you have seven minutes, please.

Mr. David Christopherson: Thank you.

Just to follow up on the last question, why is it taking so long to launch the search? The government has been there for quite some time, so why is it taking so long?

Ms. Lisa Campbell: We have been consulting with industry. Last summer, we went and talked to the five main manufacturers of fighter aircraft in the world, to gather industrial information. We are also waiting for the results of the defence policy review, which should give us key information such as the number of aircraft and the schedule.

According to our current plan, we hope to be in contract by 2022, with fighter aircraft in place by 2025.

Mr. David Christopherson: Is the F-35 on the list or not?

Ms. Lisa Campbell: Any fighter aircraft willing to supply to Canada is going to be welcome to participate.

Mr. David Christopherson: Interesting. All right. We'll follow that up in the other arenas.

Deputy, I'd like to turn my attention back to page 46 briefly, before I move on. It deals with the issue of official language document translation and looks at the percentage of document translation revised for Parliament within the deadline. The target was 95%. I would remind you that for 2015-16 the target was 96.7%, yet now the target is 95%. That's not very bloody ambitious.

I'd like to go to page 68, which looks at planned human resources and full-time equivalents, or FTEs. In the chart it lists linguistic management and services. If we look across the chart, for 2014-15 the number of full-time equivalents was 1,263.77. Then it dropped to 1,197. Then it dropped to 1,124.65. It's now projected to drop to 1,114.85.

Just as an aside, that's a decrease every year in the planned FTEs, yet when I look at the narrative on the same page, it says that the variation in the planned FTEs is mainly due to the increased numbers of FTEs in some programs and decreased numbers in other programs. You don't mention linguistic management and services as being on the decreased list, and I'm just curious as to why. I have to tell you that being in opposition, knowing that there's been some politics around this, it suggests that you don't want to draw any more attention to it than you can. But I'm willing to listen to your reason as to why it's not in there.

•(1015)

Ms. Marie Lemay: I don't have a particular reason for that one, but I will tell you about the numbers in the table. I think that's what you were referring to, the messaging in the table and whether there's an explanation for the two.

Mr. David Christopherson: My first question was about why it's not there, and your answer was that you don't know. Now you're going to tell me about the numbers, so go ahead, please.

Ms. Marie Lemay: Yes. The numbers reflect the five-year plan that was in place and is finishing this year. You'll see that for the following years it's to be determined. It's all related to the new vision that will be established at the translation bureau. We have a plan for this year, obviously, but the numbers will be adjusted to reflect the future vision. We'll make sure that we do touch on the linguistic aspect. We did get some dollars in the budget this year. I believe it was \$7.5 million to increase some of the capacities of the service.

Mr. David Christopherson: Deputy, I appreciate that, but again, you were shooting for your big target of 95%, which was less than the actual target of last year.

At any rate, it's less than, and we're showing less FTEs. On the one hand, you talk a game about wanting to improve, but your target is lower than your actual from the last fiscal year that's reported and you're still lowering the number of FTEs. I don't get it.

Ms. Marie Lemay: I'll just repeat briefly that this reflects a plan that was in place for lowering. This year, and moving forward, we will revision and—

Mr. David Christopherson: No, but—

Ms. Marie Lemay: Marty, do you want to add to that a bit?

Mr. Marty Muldoon (Chief Financial Officer, Finance and Administration Branch, Department of Public Works and Government Services): Yes, I could add to that.

We're also just finishing a multi-year strategy to automate a lot of the functionality in the linguistic translation services and the linguistic dictionary. That's reflected in the plan that you see here. We've gone through that. We've modernized and automated a bunch of stuff, and here we are now, taking on the next strategy that Madam Lemay referred to.

Mr. David Christopherson: All right. In light of that, help me understand this. Let's go back to page 66 and look at another chart. For linguistic management and services, the 2015-16 expenditures were just shy of \$51.3 million. The forecast spending for 2016-17 jumps up to almost \$67.2 million, and then it drops back again in the 2017-18 estimates to \$64 million.

To be fair, I'll go with the 2015-16 number of almost \$51.3 million and compare it with the \$64 million. That's still \$13 million more that you're planning to spend, yet the results are going in the wrong direction. Please don't tell me about this magical, mystical plan that will appear, going forward. I want to talk about what's in front of us right now. Where did the \$13 million go when your results are going in the wrong direction?

Mr. Marty Muldoon: What's reflected in these estimates documents that you see here is that we were going through that strategy that I just described, so you see the reduction in 2015-16. In

the year that the government changed, 2016-17, we had quite a significant increase in costs in serving the parliamentary requirements. That's reflected in the 2016-17 forecast spending.

The government has supported us in continuing to realize that expenditure level, so you see the plan on the longer-term horizon levelling off in the mid \$60-million range. The budget announced \$7.5 million ongoing and annualized. The budget number isn't necessarily in our books right now, but it's in our planned spending horizon.

•(1020)

Mr. David Christopherson: I appreciate that. I'm not sure—

The Vice-Chair (Ms. Yasmin Ratansi): You have 15 seconds.

Mr. David Christopherson: I didn't hear what benefit we got for the \$13-million increase. You spent more money but—

Ms. Marie Lemay: In the fall we had a lot more translation being done.

Mr. Marty Muldoon: We had a 30% increase in volume.

Mr. David Christopherson: But your target for this year is less than the actual from last year—

The Vice-Chair (Ms. Yasmin Ratansi): Thank you, Mr. Christopherson.

Mr. David Christopherson: —and you're spending more money to do it.

The Vice-Chair (Ms. Yasmin Ratansi): We now go to Mr. Whalen, for seven minutes.

That will bring us closer to 10:30, and Mr. McCauley has a brief question, which I will allow.

Mr. Nick Whalen: Mr. Parker, it's good to see that the IT plan that was tabled back in October now seems to be in operation. Could you confirm where you are with the Government of Canada information technology strategic plan 2016-2020?

Mr. Ron Parker: I believe you might be referring to the strategy developed by the Treasury Board Secretariat. Could you restate the title of document?

Mr. Nick Whalen: Yes, it's the strategic plan 2016-2020. Under that document there are a number of things on the government website that suggest they are in process. It lays out a number of different strategy goals and policy directives. It also says that the government is in the process of developing IT service portfolios and catalogues, which is something we'd asked you about in previous meetings.

Where is SSC, for instance, on developing the service portfolios and catalogues?

Mr. Ron Parker: We've accomplished a lot under those categories. Much of it was flagged in the context of the Auditor General's report. We've put all of the services that we offer into the catalogue along with service level expectations, so there's material progress on that front.

As well, we're renewing our business arrangements with our customers. In that context, there are service level expectations embedded in those documents as well. If the customers require or would like, we are putting annexes into those business arrangements to deal with service level expectations that may be different from the standards.

We've also rolled out a service management strategy, a very elaborate and comprehensive strategy, for working with our customers on the account management side, to understand what's coming in terms of their planning and their future demands. As well, we've established a service management branch, which is responsible for coordinating the implementation of the departmental plans, in co-operation and conjunction with the actual service lines.

Mr. Nick Whalen: Great.

When I look at the estimates, the table for Shared Services Canada actually does program and purpose breakdowns. It's unclear, though, when we look at these documents how much of the money in each category goes towards maintaining current service, and how much of it is going to transferring and transforming departments into enterprise-wide solutions, which is for cloud computing solutions, both of which are principles under the new government-wide strategic plan.

Could you give us some sense of how much time and effort is being spent on managing the systems as they exist, and how much time and effort is being spent transitioning different departments off their legacy systems to enterprise-wide systems?

Mr. Ron Parker: The vast majority of the funding that we receive is allocated to sustaining the current systems. Over the years, we have reallocated from transformation activities to enable the sustainment of the legacy systems, given the state that they were in at our creation.

I don't have the precise numbers, but we do have the split between what I would call the ongoing sustainment of the existing system versus how much we are investing in modernization projects.

Madam Chair, I would be happy to provide that information.

Mr. Nick Whalen: That would be wonderful to see. It would give us just a sense of it so that we can have the confidence—and so Canadians can have the confidence—that we're devoting sufficient resources both to managing the services they receive and also to modernizing government, which is one of your goals and one of the principles laid out in the strategic plan.

Another one is moving to cloud computing. At the same time, we see that one of the strategic goals is security. Will there be a preference for creating our own cloud within our data centres so that services will be delivered within our own private cloud, or is the preference toward accessing a more public cloud with cloud services offered by third parties?

•(1025)

Mr. Ron Parker: Madam Chair, Mr. Glowacki will respond to this question.

Mr. John Glowacki Jr. (Chief Operating Officer, Shared Services Canada): Thank you for the question.

Madam Chair, this is a complex environment. There is not a simple, clean answer, and it's quite dependent on the demand, on the needs of our customers.

Our initial foray into the cloud space is in the unclassified space. It's a convenient place for us to learn. It does not put the government's information at risk.

We need to look at these on a case-by-case basis, and that's what we intend to do. We will always look at it with this being the baseline: what is it for the government to do it for itself and then what are the options available to us? In certain cases, the sensitivity of the information drives us to say that we need to do this in-house to protect it. In other cases, such as the Library and Archives Canada example, where we're trying to promote Canadian culture, that's a very good environment to put on the cloud. We want the Googles and the Microsofts of the world to put this all over the planet, because it helps to promote the culture. In other cases, we have to be a bit more concerned about privacy or protection of intellectual property, etc., so we have to take a look.

You end up with a hybrid and a spectrum of offerings, and that's what we intend to become experts at, becoming brokers of services.

Mr. Nick Whalen: We appreciate that this is a fluid environment. It's good to hear that you're growing some expertise in-house. Do you have any major contractors we should be aware of that you're currently using and that vet and provide or train your in-house IT folks in access to cloud services? Are there any major contracts with those types of outsourced organizations?

Mr. John Glowacki Jr.: We do not rely on any outsourcers to tell us how to do this. We do rely on various advisers. I don't want to start picking out specific companies. It would sound like we're promoting them. You could go to the typical third party industry analysts. We go to them for advice. We also take a look at what other countries have done, and for those of us with private sector experience, what we have done and what we've seen other companies do as well.

Mr. Nick Whalen: Mr. Parker mentioned his management plan and service levels. Have you also established those for the cloud services we're acquiring? Are those service levels more or less stringent than the internal ones?

Mr. John Glowacki Jr.: That would be contingent on what those providers do. Inherently, you're buying something that's relatively a commodity service, and it's dependent on them using their service levels, as opposed to us trying to skew them to something else.

The Vice-Chair (Ms. Yasmin Ratansi): Thank you very much.

Mr. McCauley, you have a brief one minute.

Mr. Kelly McCauley: I'm letting you off the hook.

This is to enter notice of a motion that the meeting of June 15, 2017, be dedicated to develop a work plan for the committee's study of the government's procurement process, which includes the vessels for the Canadian Coast Guard, the national shipbuilding procurement strategy, and the proposed acquisition of 18 Boeing Super Hornet fighter jets.

Thank you for your indulgence.

The Vice-Chair (Ms. Yasmin Ratansi): Thank you very much.

The meeting is suspended. We'll go in camera to discuss committee business.

The witnesses are excused. Thank you.

[Proceedings continue in camera]

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