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# **Standing Committee on Government Operations and Estimates**

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**EVIDENCE**

**Tuesday, November 27, 2018**

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**Chair**

**Mr. Tom Lukiwski**



## Standing Committee on Government Operations and Estimates

Tuesday, November 27, 2018

• (1530)

[English]

**The Chair (Mr. Tom Lukiwski (Moose Jaw—Lake Centre—Lanigan, CPC)):** Colleagues, we have quorum, so I'll convene the meeting now. If we could have all committee members please take their seats, I would appreciate that.

We will continue our study of the greening of government. We have with us representatives from both the Department of Public Works and Government Services as well as representatives from the Treasury Board Secretariat.

Welcome to you all.

Madam Blain, I understand you have an opening statement. Would you care to introduce your colleagues. The floor is yours.

**Ms. Carolyne Blain (Director General, Strategic Policy Sector, Acquisitions Branch, Department of Public Works and Government Services):** Thank you very much, Mr. Chair.

[Translation]

Good afternoon, everyone.

My name is Carolyne Blain and I am the Director General of the Strategic Policy Sector in the Acquisitions Program at Public Services and Procurement Canada, or PSPC.

Accompanying me today is my colleague David Schwartz, Director General of the Commercial and Alternative Acquisitions Management Sector, also of the Acquisitions Program at PSPC. Also joining me are colleagues from the Treasury Board Secretariat, Nick Xenos and Jessica Sultan, whom you met at the last meeting on this study.

Thank you very much for giving us the opportunity to appear and speak about the greening government strategy. I am happy to share with you the important work we are undertaking at Public Services and Procurement Canada regarding green procurement.

[English]

If we, as a country, government, and people are serious about moving towards a greener future, procurement is a lever toward advancing and achieving sustainability goals and driving positive change in the supply chain and the Canadian economy. To fulfill this goal, we have made, and will continue to make, fundamental changes to the goods and services we use and the way in which we procure them.

As the largest public buyer in Canada, PSPC is in a unique position to both influence and have a direct impact on the range of environmentally preferable products and services that are sought, as well as what is offered by industry.

To maximize the environmental benefits in procurement, we have given priority to shared and national procurement instruments to optimize the impact of sourcing decisions. This allows various government departments, including federal, provincial and territorial governments, to access environmentally preferable goods and services. By collaborating with the provinces and territories, we increase our influence well beyond the federal public procurement. Additionally, environmental considerations have been included in procurement instruments for more than 35 commodity groupings.

Implementing environmental considerations into procurement requires an understanding of the complete life cycle of purchased goods or services, from extraction of material to disposal. This knowledge allows us to integrate green criteria where they will have the greatest impact. For example, our national procurement instruments for light-duty passenger vehicles take into consideration the fuel consumption and CO2 emissions in the evaluation. This allows the government to source vehicles that will deliver optimum environmental benefits over the useful life of the vehicle while responding to the operational requirements of the client department.

Another example of how PSPC is looking to promote environmental stewardship is by ensuring that items on mandatory standing offers are green, as is the case in our standing offer for office paper, which requires that the paper supplied contain recycled content. We're continuing to innovate. For example, PSPC has added agricultural waste fibre paper to the standing offer, which is essentially tree-free paper. Additionally, only paper manufactured in conditions that meet or exceed requirements based on recognized and certified standards is available through the standing offer. This means that the paper provided comes from mills that have demonstrated they have reduced their impact on the environment.

[Translation]

We are also focusing our efforts on reducing the government's environmental footprint as it relates to the emission of greenhouse gases from the heating and cooling of federal facilities. In January 2017, PSPC awarded a \$131-million contract for the purchase of clean energy for the Department of National Defence and Environment and Climate Change Canada in Alberta. With this contract, 90% of the Department of National Defence's energy requirement in that province will come from clean energy sources.

Engaging stakeholders and building on business opportunities is an important part of PSPC's business model. Supplier engagement and mobilization play a key role in meeting our green procurement objectives. One example is the recent consultations with suppliers of office supplies to better understand the range and availability of environmentally preferable solutions with particular emphasis on reducing plastics and greenhouse gas emissions.

This engagement with the industry will contribute to a review of over 4,800 high volume items to identify products that meet specific environmental criteria for the 2019 edition of the standing offer.

PSPC also engages with external stakeholders such as the Espace québécois de concertation sur les pratiques d'approvisionnement responsable. This organization helps PSPC accelerate green procurement implementation by working collectively with other organizations on similar challenges and creating science-based-evidence tools for procurement.

As you are aware, the G7 Summit was held in Charlevoix in June 2018. As there was a strong appetite to make the G7 Summit an eco-responsible event, it became essential to apply the principles of green procurement to the many purchases required to host the event. Approaches were crafted to efficiently and quickly implement environmental considerations into the development of procurement requirements and evaluation approaches. This included an innovative bid evaluation methodology for contracts for accommodation, transportation and food services in order to give preference to environmental products and services.

The process for this summit made a difference for several elements, including the responsible management of waste materials and the limited use of plastics. These actions helped ensure that the summit achieved a level 3 certification of the eco-responsible event management standard of the Conseil québécois des événements écoresponsables. This generated positive reactions and incentivized industry to adapt to more sustainable waste management practices.

The G7 provided PSPC with lessons learned and new approaches such as reducing single-use plastics, using composting to offset greenhouse gas emissions, giving incentives to supply environmental products. These lessons learned are now being considered for projects and will have positive effects on the implementation of green procurement across PSPC in the future.

• (1535)

[English]

PSPC also continues to optimize internal processes to better environmental outcomes such as adopting electronic bid submission, increasing use of electronic signatures, electronic archiving and the

new electronic procurement solution, which was announced in budget 2018.

Green procurement is not just about the bottom line of using fewer products and services. It includes socio-economic benefits and long-term effects on the health of our environment, beyond the immediate measurable reductions in energy costs, water usage and GHG emissions. Changing purchasing behaviours at PSPC by incorporating the life cycle of products and services will have a positive impact at each phase of acquisition. How we plan, purchase, use and maintain and ultimately dispose of our purchases will also have a wider influence on suppliers, manufacturers and Canadians. What we do will set the standard and influence change on a broader scale. We need to move away from looking at the upfront cost of an item and instead consider the goods or service in the circular economy that focuses on keeping goods, including plastics, in the economy and out of landfills and the environment, providing long-term benefits and best value to Canadians and the community.

We'll continue to work with our colleagues at Treasury Board Secretariat's centre for greening government to advance green procurement practices. PSPC is committed to working in collaboration with other government departments, leading the implementation of the greening government strategy to effectively contribute to low-carbon environmentally responsible growth.

Thank you very much for your time.

**The Chair:** Thank you very much for your comments.

We will now go into our seven-minute round of questioning, beginning with Madam Mendès.

[Translation]

You have seven minutes, please.

[English]

**Mrs. Alexandra Mendès (Brossard—Saint-Lambert, Lib.):** Thank you, Mr. Chair.

Thank you, all, for being here.

I arrived a few minutes late but I did understand a lot of what you were saying about the great progress that has been made at PSPC in procurement and implementation of policies.

Treasury Board, from your side, what has been the overall policy for government in its greening measures and actions? How do you expect to attain 100% green sources for electricity in all government buildings by 2025? I would like to know a little more about this, if possible.

**Mr. Nick Xenos (Executive Director, Centre for Greening Government, Treasury Board Secretariat):** Those are good questions. On the Treasury Board side, there are a couple of things.

On procurement and the policy on green procurement, we lead the policy direction so departments like PSPC are the key implementers. We set policy direction and PSPC implements. That's the easy way to explain it.

Essentially, the procurement policy and the policy on green procurement are the two things housed at the Treasury Board. Treasury Board owns them.

We update. We've refreshed the policy on green procurement, and we've obviously passed the government greening strategy. We have those two vehicles. The greening government strategy has a procurement section that is reflected in the policy on green procurement. We also convene folks across departments to discuss procurement issues and provide training and support to procurement officials across the government.

The greening government strategy has set out various outcomes in different key areas of procurement, such as, real property, fleet and electricity, so we can drive toward those outcomes. There is a commitment to buy 100% clean electricity by 2025.

• (1540)

**Mrs. Alexandra Mendès:** Do you mean throughout Canada?

**Mr. Nick Xenos:** Throughout Canada, yes, for our federal government operations. I should be specific there.

**Mrs. Alexandra Mendès:** Of course.

**Mr. Nick Xenos:** Already 80% of our electricity created is low carbon, so we're looking at the delta, the 20% or so that isn't, in jurisdictions that have higher carbon electricity grids.

However, it's a fast-developing area. For example, Carolyne mentioned that in Alberta, we bought renewable electricity in the marketplace. Alberta is a deregulated market. So now in Alberta we are buying renewable electricity.

I should state as well that our approach is really to go jurisdiction by jurisdiction. The power we use in one jurisdiction is where we would buy.... The aim is to buy renewable in that jurisdiction.

**Mrs. Alexandra Mendès:** I imagine in Quebec it's 100%.

**Mr. Nick Xenos:** Exactly. Quebec is already essentially zero carbon electricity, so it's already accomplished. Places like Manitoba, B.C. and Quebec already have very low carbon electricity, so really the focus is on the other jurisdictions.

**Mrs. Alexandra Mendès:** How is that going in Ontario?

**Mr. Nick Xenos:** The first priority was Alberta. The next one will be Nova Scotia, Ontario and New Brunswick. We're now organizing departments to define our requirements in each of those. We've done Alberta, so now we're going to go to the other jurisdictions—what are our requirements, our electricity needs in those departments—and then organize our RFP, or an RFI first, but likely just an RFI/RFP, go to the market and buy electricity, or we will work with the utility provider in that jurisdiction.

Every jurisdiction is different. The first thing is to understand requirements, go across departments and see how much we need, how much we can buy, and what the delta is so we don't always need to buy 100%, and then work with the partners—the province, the

utilities and the industry in that jurisdiction—and define our strategy to go to market. Then we go and buy.

We're looking at 2025. We want to roll it out over the next year or two, so there's a few years for people to actually provide the electricity.

There are different ways you can do it. You can provide electricity on site on federal lands, if we have a lot of land. You can do a power purchase agreement where you buy it off—

**Mrs. Alexandra Mendès:** —a utility—

**Mr. Nick Xenos:** —someone who provides it to the grid in the equivalent amount that you.... There are various ways. There are renewable energy credits as well. There are various instruments to go to market...

**Mrs. Alexandra Mendès:** Would wind energy be included in that grid?

**Mr. Nick Xenos:** Yes.

**Mrs. Alexandra Mendès:** Okay, thank you.

[*Translation*]

Ms. Blain, the measures taken in view of the G7 are extraordinary and provide a good example to other departments.

Do you sincerely believe that it is relatively feasible, over the short or the medium term, to encourage other departments to follow what you started in procurement at the G7?

[*English*]

**The Chair:** If you could provide an answer in about a minute, I would appreciate it, Madam Blain.

**Ms. Carolyne Blain:** Will do.

[*Translation*]

I think that is entirely feasible. The important thing is to work with our client departments to find out what their needs and requirements are. That enables us to determine with them, and with industry, what is feasible and what is available on the market to implement this approach across our operations.

Those are best practices that can be applied in other circumstances.

**Mrs. Alexandra Mendès:** That helps make departments aware of the right suppliers. I assume you could potentially have a list of suppliers who meet the criteria.

**Ms. Carolyne Blain:** Yes, of course.

**Mrs. Alexandra Mendès:** That's good.

[*English*]

Thank you.

**The Chair:** Thank you very much.

Mr. McCauley, you have seven minutes.

**Mr. Kelly McCauley (Edmonton West, CPC):** Welcome, and to some of you, welcome back.

I want to follow up on your comment about the G7. When we were here last time we discussed the purchase of the cars. I realize it wasn't the PSPC that bought the cars, but how do we ensure, moving forward, that we're actually working toward greening, so that we don't have departments going off on their own—not violating government policy, but going off in the wrong direction, as they did buying the gas cars?

This goes back to the conversation we had at the last meeting. I read through the departmental plans. There doesn't seem to be any one in charge, so to speak. I've just done some more reading, and now I realize that Natural Resources Canada is supposed to be partnering with TBS on greening government. That didn't come up at all in the last meeting. I look at their departmental plan, and see they have nothing about greening government, apart from the number of times stakeholders acknowledge using NRCan products in making decisions.

We hear all this great rhetoric, and we are doing some stuff, but a lot of things are slipping through the cracks, and there doesn't really seem to be anyone setting proper goals and in charge to make sure we're not buying cars or ensure that we're actually doing proper green procurement, etc.

I'll start with the cars. How do we go forward and not have a repeat of that?

• (1545)

**Ms. Carolyne Blain:** We'll start with cars.

**Mr. Nick Xenos:** Yes, starting this April 1, 75% of the administrative vehicles we buy are to be hybrid or zero-emission vehicles. That does not include national safety and security vehicles, so in this case, it was national safety and security. It was also before the April 1—

**Mr. Kelly McCauley:** Can I interrupt for two seconds?

In the previous study, we looked at security exemptions. We heard that to get around PSPC, departments were using them to buy paper clips. Literally, they were buying paper clips. We heard about buying jackets for the Syrians. They were using security exemptions. The departments have a history of using exemptions for whatever reason they wish, so they can get around the rules.

Are we back to this again with the purchase of the cars? Seriously, are we using a security exemption for a Rogue? A Nissan Rogue is not exactly an armour-plated car needed for security reasons, for them to go around government policy....

**Mr. Nick Xenos:** I think that's a great point, because we don't want to use national safety and security if it isn't really that. We do want to tighten that definition so that it's clear, on fleet, for example, what national safety and security is.

I'll give you an example of how it works. David's group has the standing offers on fleets and vehicles, so my team and David's team work closely together. If somebody, starting April 1, wants to do a

major buy that doesn't conform to the greening government strategy, David will put a call in to me, and we will discuss with the department what's—

**Mr. Kelly McCauley:** Can we be assured that we won't have a repeat of the G7 issue?

**Mr. Nick Xenos:** That's the aim. The other thing, though, just to get ahead of the curve, is that we do have an interdepartmental working group of fleet managers, so that they're really clear on the greening government strategy and where we're going.

**Mr. Kelly McCauley:** Who literally takes the lead? We heard last time that TBS is supposed to be greening government. Natural Resources, again, in their departmental plans, say they're providing federal leadership on greening government.

**Mr. Nick Xenos:** Yes.

**Mr. Kelly McCauley:** Who's actually in charge? When we have shared responsibilities, as we've seen with Phoenix and so many other things, without one person being accountable, nothing actually properly gets done. Who's in charge with this?

**Mr. Nick Xenos:** Treasury Board is leading the implementation. Each deputy minister will ultimately be accountable for what every department buys. In each of the areas we look at, we do have expertise in departments that we don't replicate. For fleet and telematics, for example, Natural Resources Canada has expertise in their office of energy efficiency to do the analysis of how to optimize your fleet. Similarly, with buildings, they have expertise in energy efficiency and energy. We rely on the expertise in various departments that's embedded in their different programs.

**Mr. Kelly McCauley:** Okay.

Ms. Blain, I'm looking at your departmental plan. PSPC is the only one of all of these that actually has set goals for the greening of government. One of the goals is with respect to the percentage of suppliers that rate the purchasing process as simpler and easier. At the same time, we have this contradictory one that 40% of purchasing should be green. We've also seen other rules layered in for community benefits, etc.

How are you balancing that and making it simpler? We have a horrible system. How do we make it simpler at the same time as we're layering in these issues? Have we studied what the actual costs of perhaps achieving that 40% goal are going to be for taxpayers?

**Ms. Carolyne Blain:** In terms of simplification, you're absolutely correct. One of our key commitments is absolutely to simplify procurement. Through our procurement modernization initiatives, we've endeavoured to undertake a number of specific areas that will target more simplified processes and approaches. We are even looking at how we can simplify the way we build contracts, and the types of clauses and conditions that are embedded in our contracts. Right now, we've seen examples of contracts that are over 200 pages

• (1550)

**Mr. Kelly McCauley:** We've heard that from others; trust us.

**Ms. Carlyne Blain:** —and how we can bring that... There is a study under way that is quite promising, in terms of endeavouring to bring that down quite significantly.

In addition to looking at our contract clauses and conditions, we're looking also at different processes and electronic tools. I mentioned in my opening remarks about—

**Mr. Kelly McCauley:** My question is about how it contradicts adding in the green—

**Ms. Carlyne Blain:** I'm coming to that.

**Mr. Kelly McCauley:** It's just that we're short on time.

**Ms. Carlyne Blain:** We're simplifying, but you're right. We're also looking to lever procurement in order to support greening objectives and other socio-economic objectives that the government has. The solution is to make it simple for our procurement specialists in departments and with PSPC to have a means by which they can embed those different requirements in the tools we already have in place.

**The Chair:** Thank you.

**Ms. Carlyne Blain:** It's a challenge, but it's absolutely doable.

**The Chair:** Thank you.

Mr. Blaikie, you have seven minutes.

**Mr. Daniel Blaikie (Elmwood—Transcona, NDP):** Thank you very much.

I find these conversations most helpful when we're talking about concrete initiatives. In terms of the greening government strategy, what would you say are the top three projects for reducing government's greenhouse gas emissions? Which three will have the biggest impact.

**Mr. Nick Xenos:** I would say the first thing is buying clean electricity by 2025. There are solutions—market-based solutions—there and the innovation in the market has moved very quickly. That's a really cost-effective way. That's number one.

Number two is working with departments to come up with a portfolio plan, an overall plan on how to get to the low-carbon target. It's not one individual project here or there. Rather, it's understanding all of the different initiatives they can take over the next 20, 30 years, and making sure they don't miss any opportunities, for example, in doing a major retrofit or in building a new building. That's the second one.

The third one is putting in concrete outcomes, so every new building has to be net zero ready. Every fleet purchase, starting April 1, of administrative vehicles has to be 75% green. You're getting very simple, outcome-based targets that will green real property and fleets.

**Mr. Daniel Blaikie:** I appreciate that the strategy covers all of government, but I'm wondering if the greening government strategy has a budget. I don't necessarily mean a budget for the staff who are working on that, which I appreciate is happening across departments. I'm thinking of a capital budget.

I respect that those projects are going to come out of departmental budgets, but I wonder if you guys have an overall budget you're working within. For example, if department X is retrofitting one of

its buildings, an overall budget would be almost like a second set of books that would tell us how much government is willing to spend on retrofit, increased costs for new buildings, or other projects.

**Mr. Nick Xenos:** Yes.

**Mr. Daniel Blaikie:** Then you'd be looking to match up the departmental expenditures with what your budget is understood to be. How do you guys account for the work you're doing and what you're asking departments to do?

**Mr. Nick Xenos:** The key thing is to embed it in the capital plan of departments and how they move forward. There isn't, per se, a separate tagged green amount in the sense that you embed it in a portfolio plan as your capital plan over the next 30 years and every action you take includes a carbon lens. Instead, what you often see is only a little bit more capital, but it's a savings over the life cycle of the building.

Usually it's a question of how you manage the capital budget versus the ongoing maintenance budget. We're also looking at particular challenges. As technology evolves and as solutions appear, then you could tackle different components, but we're finding the first step is to do an overall plan. You'll see some initiatives like putting in LED lighting where the payback is just two to three years, so it's a no-brainer.

● (1555)

**Mr. Daniel Blaikie:** Even if you don't have a financial planning document, do you guys report out on the greening government strategy? For example, in the 2018-19 expenditures of the departments working toward the greening government strategy, would you report their projected marginal increase in capital costs against what you think the ongoing operating savings will be over the life cycle of the assets acquired as part of the plan? Do you guys do that kind of accounting as part of the greening government strategy, or is it a policy strategy only, without its own financial—

**Mr. Nick Xenos:** I think it's hard to separate the amount, because, for example, if you're renovating your house and it's time to replace your furnace, let's say, with a more efficient furnace, what we're looking to departments to do is if they just bought a furnace five years ago, not to replace it right away. They should replace it when the life cycle of the furnace is done. When they then buy the super efficient furnace versus the efficient furnace, let's say there's a 5% difference there in the capital spend, but they'll make it up in the O and M. So we're tagging then not that 5% capital but the savings in the O and M as green, if you will.

It would be a relatively exhaustive exercise to do that across all of the capital plans of departments. We are, however, working with partners to look at what is the difference in greener buildings. We're working with folks like the Green Building Council and other partners, but the delta depends—there are different climate zones in Canada, different types of buildings. The retrofit of the St. Clair office tower in Toronto, for example, over a 25-year life cycle is about 4% more capital, but you make it up. If you look at a 40-year life cycle, you break even or get close to breaking even over a 25-year life cycle.

There are individual examples we've seen that aren't actually... Usually it's more capital and there are also productivity benefits. A better building could mean better productivity from workers, lower absenteeism rates, etc. There are different studies out there on that as well.

**Mr. Daniel Blaikie:** Part of my interest as a parliamentarian is in being able to understand what the benefits are over time. That's where it's helpful if there is a document that kind of tracks some of that financial information, as opposed to having everybody trying to recreate that in their office, to the extent that they're interested. I would think there would be value also for other governments, whether they're provincial or municipal governments or other governments internationally in looking at what Canada is doing and that they would want to be able to get a sense of the relative costs and benefits of the Canadian strategy. I guess that's an emerging suggestion, you might say, or a suggestion emerging from my comments.

**Mr. Nick Xenos:** Yes.

**Mr. Daniel Blaikie:** I do have a question about the electronic procurement process. I apologize if it seems a little eccentric, but in MPs' offices there is a financial portal. It's electronic. You're supposed to submit everything electronically, and then you have to file everything by paper anyway.

That hasn't done a lot for the environment. I suppose there are internal reasons as to why it's convenient for the financial folks to have it electronically in terms of numbers manipulation. They don't have to do the data entry. We do it out of our office and then they have the benefit of that, but we still file on paper.

**The Chair:** That's a great question. I think we're going to have to wait for our next intervenor to get an answer, should they wish to pursue that line of questioning.

Monsieur Drouin, you're up for seven minutes. Go ahead, please.

**Mr. Francis Drouin (Glengarry—Prescott—Russell, Lib.):** Thank you, Mr. Chair.

Thanks to the witnesses. Some of you are back at this committee after being here not very long ago.

I want to start with you, Ms. Blain, with regard to greening procurement, but specifically with regard to those who submit bids and how the types of practices you're working on and the conversations you or your colleagues are having with them. How are you bringing in that particular sector to say, "This is our objective. How do we bring you on board?" What is that going to look like in the near future?

**Ms. Carolyn Blain:** In terms of working with bidders—and I'll ask my colleague David to also join in—what we have changed in the past year is that we now actually accept electronic bid submissions, the system for which wasn't in place before. That has actually had a very positive impact on our suppliers and bidders for government contracts, because it actually has reduced the amount of paper and the burden associated with that.

We used to receive boxes and boxes of paper associated with their bid proposals. Now that is being done away with, so it's a saving for both the bidders and us in terms of the data entry. It makes it much simpler and easier to do business with government.

We are constantly *à l'écoute* of our supplier community. We have a departmental supplier advisory committee that provides us advice and really good collaboration and opportunity to dialogue around some of the hot issues that preoccupy the supplier community and information on how we can address those and improve through our processes or policies or practices on an ongoing basis. That has been quite effective.

• (1600)

[*Translation*]

**Mr. Francis Drouin:** What about the will of Public Services and Procurement Canada? If I take the example of vehicle purchases, is the way they are produced something we are starting to talk about with bidders? Do we tell them, while obviously respecting our international obligations, that this now a priority for our government?

**Ms. Carolyn Blain:** Yes, absolutely.

Mr. Schwartz can tell you more about that.

**Mr. David Schwartz (Director General, Commercial and Alternative Acquisitions Management Sector, Department of Public Works and Government Services):** We are constantly learning about the industry through the tendering process and information requests. We just completed one of them. We are trying to figure out what is already available on the market and what the trends are. That also gives us an opportunity to signal our intentions. We are looking for more green products for construction, office equipment or vehicles. So, every year, we emphasize the use of as many electric vehicles as possible.

I would say that our intentions are very well-known and we communicate them mainly through our technical requirements. We are increasingly valuing the environmental aspect.

**Mr. Francis Drouin:** Thank you very much.

[*English*]

Mr. Xenos, with regard to the centre for greening government, how are we measuring that? Let's say PSPC is doing this initiative and Natural Resources is doing this other initiative. Are they all reporting through Treasury Board now?

**Mr. Nick Xenos:** Yes. The ultimate outcome is how much we've reduced our carbon emissions by department.

**Mr. Francis Drouin:** Yes.



**Mr. Nick Xenos:** That's all on the web. The government's progress is on the web. Progress by department is indicated publicly. All the data is on Open Data. It's emissions by department, by province, by fuel type, across the country. Annually, we issue a call letter and we collect the data across departments on how they're doing. Then we post it annually.

**Mr. Francis Drouin:** So there are departments that are doing extremely well versus those departments that are not doing as well as they should be, or that perhaps just didn't have the same resources. Does Treasury Board have a type of working group to work with those particular departments that may not have been as successful as others?

**Mr. Nick Xenos:** Yes. For example, there are 23 departments that have real property, that have buildings. We convene an interdepartmental group at a senior level of all departments that are greening. Just at the last meeting, for example, Defence presented on their energy environment strategy and what they're doing in their initiatives.

We convene all the departments. We also have sub-working groups, if you will, tackling particular areas. With fleet managers, we have all the fleet managers together and then we can deal with fleet issues. It's the same thing with real property.

**Mr. Francis Drouin:** You have collaboration happening at that level.

**Mr. Nick Xenos:** Exactly. The technical expert departments in different areas can present there on what they can assist in and how they can help, on what services and expertise they have. Then different departments can present on the different projects they're doing.

Again, it's a best practices and learning environment so that folks are supported.

**Mr. Francis Drouin:** That's great.

Thank you.

**The Chair:** Thank you.

We'll now go to our five-minute round of questioning, starting with Monsieur Deltell.

[*Translation*]

**Mr. Gérard Deltell (Louis-Saint-Laurent, CPC):** Thank you very much, Mr. Chair.

Ladies and gentlemen, welcome to your House of Commons.

Ms. Blain, I would like to come back to the G7 Summit. I am a member from the Quebec City region, not too far from the event's location. We are very happy that order and discipline were maintained during the event. Of course, there was a lot of security, which is understandable. But security means executive vehicles. I'm raising this issue because you said earlier that you asked that, as of last April 1, every government expenditure respect a green philosophy or, at the very least, be considered from an environmental perspective.

As my colleague Mr. McCauley explained at a previous meeting, a lot of vehicles were purchased—about 600 of them, 157 of which were Chevrolet Suburbans, according to the figures I have seen.

Those vehicles consume 16 litres of fuel per 100 kilometres and they have a large 5.3-litre V8 engine. We may wonder about that, but that is not my comment, although it is very tempting. However, the corollary follows.

How come that new measure was implemented on April 1—we obviously know that the decision was not made on April 1 at 8:29 a. m.—but in the three months leading up to the G7 Summit in June, the government purchased a number of gas guzzlers, which are the antithesis of its own philosophy and directly contradict measures it had implemented three months earlier that expressly prohibited those types of expenditures?

• (1605)

**Ms. Carolyne Blain:** I will answer you, and then my colleague could add his comments.

In reality, all sorts of procurement expenditures went into the planning of the G7, the preparation for which started well before the three months leading up to the summit's opening. The entry into effect of our new procurement policy actually coincided with the end of those preparations.

I think the department did manage, as part of this event, to make very good decisions in the area of green procurement. Emphasis was placed on the summit's environmental performance, and some actions were beneficial. We maintain our practices with our client departments to meet the expectations and requirements of the policies in effect.

**Mr. Gérard Deltell:** You say that major efforts were made. How many individual bottles of water were purchased for the G7? I never buy water bottles. I may have bought three of them in my life, but that is because I am cheap and don't like wasting money. I don't see why I would pay for water when it is free. In addition, three-quarters of the bill cover transportation costs. I will stop my personal reflexion here, but let's be clear: everyone is for virtue, but everything has become suspect. By the way, that's fine.

I would like to come back to the relevant question asked by my colleague, Mr. Drouin, about assessing the environmental footprint of the vehicles you buy. Are you taking into account the fact that a vehicle manufactured in Asia must travel half the globe on a ship, one of the most polluting modes of transportation that currently exist? We could buy vehicles manufactured in Oshawa, a few kilometres from Toronto, the largest urban centre in Canada.

Do you assess the environmental footprint when you make that type of a purchase? Do you think about purchasing Canadian goods first, and then purchasing green goods?

**Mr. David Schwartz:** I will answer, if that's okay with you.

When it comes to green vehicles, I want to say that we are making real progress. We are in charge of vehicle purchases and the deployment of procurement vehicles. During the 2017-2018 fiscal year, 4.1% of new vehicles purchased for the federal fleet were green. Now, at the end of November, two-thirds of the way through the 2018-2019 fiscal year, that percentage is at 15.96%. Our purchases of green vehicles went from 4% during the last fiscal year to 16% two-thirds of the way through the current year. We see that behaviours are changing, and the trend is there. I would say that this is supported by—

[English]

**The Chair:** Unfortunately, I have to interrupt now, Mr. Schwartz.

We'll go to Madam Murray, for five minutes, please.

**Ms. Joyce Murray (Vancouver Quadra, Lib.):** Thank you.

I want to congratulate the witnesses for all the work they've done and the progress they've made in such a very short time. It's been impressive. I think fundamentally the reason everybody here is supportive of what you're doing is that it's about protecting and restoring the fundamental earth systems on which life depends, and our atmosphere is a big part of that.

I'm interested in learning more about the data and reporting. That was a key thing that shifted from pre-2016, with the centre for greening government. Before that, I believe, there was much less data and reporting.

Nick, could you talk about the progress on that? What was it like? How is it working now? How do you interact with entities that are not yet required to reduce but will be reporting? How do you see that step-by-step expansion of the scope of both emissions and reporting entities working?

• (1610)

**Mr. Nick Xenos:** I think the number one thing is that we're disclosing it publicly now. Since the greening government strategy, we've disclosed emissions by department, by region and by fuel type publicly. It's all on Open Data on the website, so it's very clear how departments are doing and how we're doing overall.

That is available to see. We also annually request departments to report to us on their emissions and their fuel. We update that annually, which didn't exist before. Before we didn't have a good sense of where the emissions are publicly.

This is helpful, I think, for departments. The first thing is we make sure we track and measure everything we can so that we have a better sense of the metrics. We will also know where we should target our efforts. There are a few departments that have bigger footprints and so we can work more closely. One of the questions was as to how we work with departments. We can work bilaterally with those departments on their particular situation and their circumstances. The better numbers and metrics gives us focused interventions, if you will, so we know how much emissions are from electricity and heating, how much in each region, and how much by department so we can focus on the facilities and areas that we need to.

It also allows industry to better target their solutions. When industry... I think you'll hear later from some of the Cleantech Alliance folks. They can look and say, "I have a certain solution. Which department should I be looking at? What region of the country should I be targeting?" It allows them to do a little bit more targeting of their products instead of just coming generally and understand how the government works across it.

**Ms. Joyce Murray:** Speaking of companies, can you give us examples of what the government is doing with this very, I think, organized and measurable approach to reducing emissions?

How is that affecting the broader economy of efforts to reduce greenhouse gas emissions, such as the innovation and the companies that are trying to get things into the market that will be solutions? How does it ripple out into the economy?

**Mr. Nick Xenos:** I think in several ways.

For example, I co-chair a community practice with the B.C. government, with all of the provinces and territories. We're learning from each other as well. Different jurisdictions are doing different things and we can learn from each other. Again, that sends a signal more broadly than just the federal government, but it's working with provincial governments and we're sharing and accelerating.

At our last community practice meeting we had the folks from the City of Vancouver present some of the things they're doing. Of course, with any federal facilities in Vancouver we want to partner with the city and the province.

There is industry, as well. We're talking to industry associations about the cases in which the federal government's asking for something, for example, the Canada Green Building Council, which is the LEED certification guys. We're working with them. They now have a zero carbon standard so you can be LEED gold in your building, but you can also be following their zero carbon standard.

They're interested, of course, in working with the federal government and understanding where we want to go and how we can work together, etc.

What I've seen in a lot of conferences and meetings is that industry is quite innovative and doing a lot of neat stuff. Really it's just us being clear on what we're requiring.

• (1615)

**The Chair:** Thank you.

Mr. McCauley, you have five minutes, please.

**Mr. Kelly McCauley:** Thanks for your comments, Ms. Blain.

The PSPC's goal is 40% green purchasing. Has the government done a study on what added potential cost there would be to taxpayers to achieve such a goal?

**Ms. Carolyne Blain:** I'm not aware of any specific study that has been done.

What we actually do is look at assessing the full life cycle of some of our procurements so that, in fact... I think Nick mentioned the example earlier about LED lighting—

**Mr. Kelly McCauley:** That's fair, but I'm just saying, for example, a Rogue versus a Prius. A Prius is more expensive, so we're going to do this. Have we done such a look? I guess not.

**Ms. Carolyne Blain:** No.

**Mr. Kelly McCauley:** Mr. Xenos, there was the comment about if you can't measure it, you can't approve it, etc. I go back to the department [*Inaudible—Editor*] You say it's published, but it's not published on your DPRs and it's not in the departmental plans either.

Will we see a time when these goals are actually put in writing in the departmental plans for each department and they will actually show up in the departmental plan results?

PSPC, your department, Natural Resources, not one of you has a comment in your departmental plans or results that just came out about what we've achieved for the greening efforts. I'm not saying that you're not making the efforts, but it's not being published in your departmental plans.

I'm curious about how we get to—and I've brought this up before—a point where you have someone in charge, whether it's yourself saying this DPR is not acceptable, you have not put in your result....

**Mr. Nick Xenos:** Currently, they report their departmental sustainable development strategy, because goal two is a low-carbon government, and so the DSDS, the departmental sustainable development strategy, is attached to the DPR. But I take your point that I think we can re-examine that, and I do—

**Mr. Kelly McCauley:** The written portions talk about greening government, so the ad talks about it, but there are no hard numbers. It makes me question. Work is being done, but we're not actually seeing what's being achieved. This is supposed to tie into the estimates and what Canadian taxpayers are paying for, but we're not actually seeing what you're expecting to achieve from that.

Are any financial incentives for DMs or ADMs—bonuses or whatever you wish to call them—tied into greening government throughout the departments or your own departments that you're affiliated with?

**Mr. Nick Xenos:** There are no financial bonuses tied to it at this time. There's the management accountability framework, which is senior management. The government's management accountability framework looks at various areas of management, and departments and deputies are looked at.

**Mr. Kelly McCauley:** We pay out a fair number of bonuses to our public servants, and I'm not saying they're not deserved, but we pay out a fair number of bonuses based on what they're achieving. Again, it goes back to not being able to measure it, or if you're not measuring it, you're not achieving it. Should we actually be tying such things to their incentives, so we actually have results?

**Mr. Nick Xenos:** In the management accountability framework, that would be a good vehicle where we're looking at embedding the greening government strategy, whether a department's delivering on the greening government strategy. That's the vehicle we're looking at, because that's management's accountability. I'm happy to take advice and comments, of course.

**Mr. Kelly McCauley:** I have a last quick question about the power that we purchase for government buildings. Obviously, it's a lot easier in Quebec to get that, and I understand Alberta is a priority. What percentage of our buildings have access to renewable, such as in B.C., New Brunswick and Quebec, and how many are more carbon heavy—obviously everything in Alberta, but—

**Mr. Nick Xenos:** Over 80% of our electricity grid is low carbon.

**Mr. Kelly McCauley:** How much is that? Because 80% might be in Quebec and Ontario where there's easy access.

**Mr. Nick Xenos:** The emissions, we can tell you that—and again, this is on the website—about 70% of our electricity emissions are from Alberta and Nova Scotia—

• (1620)

**Mr. Kelly McCauley:** Okay.

**Mr. Nick Xenos:** —and then the remainder is from New Brunswick, Ontario and Saskatchewan.

**Mr. Kelly McCauley:** We have a sense that that's where your focus is. That's what I was trying to get in the answer.

**The Chair:** Thank you very much.

Madam Yip, you have five minutes, please.

**Ms. Jean Yip (Scarborough—Agincourt, Lib.):** Thank you for coming.

Environmentally preferable goods and services can be more expensive due to specialization and the lag time. How will this reduce the cost for government and help achieve economies of scale?

**Ms.Carolyn Blain:** I think I would first state that it's not necessarily more expensive. Through early strategic planning of our procurements, we are looking at and understanding what the market availabilities are for products that offer green alternatives and ones that can help achieve our respective policies and goals, but also looking at it from a full life-cycle perspective. There's a good sense of not looking at just the price, but assessing the full impact of maintaining the assets, the goods or services, that we're purchasing so that those elements are actually factored into our decisions in order to make really sound decisions that do achieve the environmental objectives, while also ensuring that we are buying those goods and services that client departments are looking for.

**Ms. Jean Yip:** What are the biggest challenges for the federal government in implementing green procurement policies? How could those challenges be overcome?

**Ms. Carolyn Blain:** I'll start, and maybe my colleague can add to this.

I don't know that there's a challenge. We've been building environmentally sustainable products for a number of years across a number of our commodities at the federal level. I mentioned in my opening remarks that there are about 35 commodities, and within that there are a number of subgroups of commodities. Many of those embed environmental criteria, such as energy requirements and so on.

We can do a lot more, and we are pursuing those initiatives; there's no doubt about it. We need to continue working with the industry to stimulate innovation, and we do that right now through our build in Canada innovation program, which is about a \$40-million program annually that we manage at PSPC.

We invest in clean technologies so some very interesting and innovative technologies are being developed that will have a direct benefit in the types of things we procure for federal client departments.

**Mr. Nick Xenos:** I'll add that every procurement category might have particular challenges, and we can tackle each one.

A hybrid or electric pickup isn't available on fleets. That's going to be a different challenge from buying a regular car, because there are lots of options.

So procurement category by category can have individual challenges as well.

**Ms. Jean Yip:** Thank you.

**The Chair:** Mr. Blaikie, you will be our final intervenor.

You have three minutes.

**Mr. Daniel Blaikie:** Thank you.

Does the greening government strategy extend to Crown corporations, as well as government departments?

**Mr. Nick Xenos:** It does not extend to the Crown corporations. However, we have reached out to them and are working with them. Many have sustainability plans or carbon emission targets as well.

**Mr. Daniel Blaikie:** Is there a justification for why Crown corporations weren't included? Does government not see it as part of their portfolio they're responsible for?

**Mr. Nick Xenos:** Traditionally, where policies apply to departments and agencies, and there's a different relationship with Crown corporations since they're more market-driven, etc., we've expanded the number of departments to include all the departments within the Financial Administration Act, schedule I.1, section 2. It is essentially everything up to Crown corporations.

All our expertise and networks and interdepartmental committees include Crown corporations, so we're working with them as well.

• (1625)

**Mr. Daniel Blaikie:** One of the things that has happened many times over the last number of decades is that certain government assets and/or services end up being privatized by various governments. When that happens, what happens to the emissions or environmental impact of those assets? Do they disappear off the books, or would all things remain the same?

If a building is sold and then its space is leased back, does that not have any effect on the emissions bookkeeping? I'm using that as a specific example, but I'm interested in other types of examples as well.

How does that affect your emissions bookkeeping?

**Mr. Nick Xenos:** We use international protocols on how we account for these things.

Let's say we have two buildings and consolidate into one and sell off the other one. If all our operations are in that one building, it will lower our emissions.

**Mr. Daniel Blaikie:** If you had two buildings and you sold one and then you leased it back, what would that do?

**Mr. Nick Xenos:** Then we still account for that, because it's not about privatization.

**Mr. Daniel Blaikie:** Okay.

**Mr. Nick Xenos:** Ultimately, if we lower our footprint because we're doing the same operations in a lesser footprint, that will lower our emissions. But if we change the same operation, still in two

buildings, and we change the ownership or change something else, then it still—

**Mr. Daniel Blaikie:** Does it become more difficult for you to get that information if you're having to get it from a supplier, whether that's a landlord or supplier of other goods and services, as opposed to producing them within government?

**Mr. Nick Xenos:** I think, going forward, not really because we're aware of it. Sometimes when we have to go back 10 years and baseline things, there could be different challenges there.

**The Chair:** Thank you very much.

Colleagues, I'm going to suspend now for just a few moments while we get our second panel to the table and establish a video link with our video conference panellists from Richmond Hill.

I want to thank all of our panellists and guests for being very kind with your comments. Thank you for your time to appear before us today.

We will suspend for two or three minutes.

• (1625)

\_\_\_\_\_ (Pause) \_\_\_\_\_

• (1630)

**The Chair:** Colleagues, we'll reconvene.

In our second hour we have representatives from Clean Energy Canada and CanadaCleantech Alliance. Both our panellists have opening statements.

Madam Petreva, you're up first. You have approximately 10 minutes for your opening statement, and the floor is yours.

**Ms. Sarah Petreva (Senior Policy Advisor, Clean Energy Canada):** Thank you.

Good afternoon, members of the committee. I'm pleased to join you. Thank you for letting me appear remotely today.

My name is Sarah Petreva. I'm a senior policy adviser for Clean Energy Canada. We are a climate and energy think tank based out of the Morris J Wosk Centre for Dialogue at Simon Fraser University, but I am based in Ontario.

I've been asked to speak with you this afternoon about the policies and programs the Government of Canada is bringing to bear via the greening government strategy.

Canada has made tackling climate change a policy priority most prominently through its pan-Canadian framework on clean growth and climate change. Through this, the federal government has committed to modernizing procurement practices, adopting clean energy and technologies and prioritizing opportunities to help Canadian businesses grow, demonstrate new technologies and create jobs. While seemingly a tall order, it's vital for government to play a leadership role in the transition to a low-carbon economy and to do so in such a way that not only reduces pollution, but also increases our country's global economic competitiveness.

As you are well aware, the federal government has committed to a 40% cut in greenhouse gas emissions in its operations by 2030, an 80% cut by 2050 and to using 100% clean electricity by 2025. These goals are to be realized through the greening government strategy, which was released close to this time last year.

Clean Energy Canada was proud to play a leadership role in convening a broad group of stakeholders including academia, business, industry and innovators to provide the government with collaborative solutions to complex problems, and we believe that ultimately helped to inform the strategy. I would be pleased to share our experiences and any written material we've produced with members of the committee.

The government should be applauded for their work and the successful launch of the strategy. We look forward to its continued implementation and would welcome its prioritization within government. The sooner we do it, the sooner we'll begin to enjoy the results.

While there is an abundance of components within the strategy that I could dive deeply into, I will use the remainder of my time to highlight how and why the greening government strategy should be seen as an economic driver for Canada, as well as the broader opportunities contained within it.

Simply put, tackling climate change requires cleaner, smarter, less wasteful technologies throughout the economy. Clean technology, or clean tech, is commonly understood to encompass new technology and related business models offering competitive returns for investors and customers while providing solutions to global challenges. Climate change is one of those global challenges that have motivated and inspired a boom in clean tech, with the development of clean energy solutions ranging from solar panels to smart grids to electric vehicles and more. Canada has many strengths in this arena. This year a record-breaking 13 businesses were named to the prestigious Global Cleantech 100 list.

With the global market estimated to be worth \$1 trillion U.S. and expected to surpass \$2.5 trillion U.S. by 2020, and close to 30% of Canada's GDP derived from exports, there is much to be gained by seizing a spot in this global marketplace. Therefore, it is imperative the greening government strategy leverage clean tech adoption to help meet its goals. To accomplish this, the strategy contains one of the most important policy tools recognized around the world to help reduce emissions, increase market share, mitigate risk and deliver cost-competitive solutions. That tool is procurement.

Procurement is a means for Canada to get results. To put it more bluntly, the only way we are going to do anything differently is by buying things differently. Governments across Canada spend about 33% of their money on the purchase of goods and services. That's equal to close to 13% of Canada's gross domestic product. The federal government, therefore, has economic heft as a major purchaser within its own economy, and it can and should use this power to stimulate and lead markets. By doing so, Canada will join the ranks of at least 56 other national governments and many local governments that have recognized the power of procurement in supporting their environmental and economic policy goals.

Canada will also be following the advice of world-leading economic institutions, including the OECD, the World Bank, the United Nations and the World Trade Organization.

Traditionally, Canada and its provincial and municipal governments have relied on grant programs and tax credits to support innovative sectors—everything from communications to pharmaceuticals to clean tech. These financial incentives help entrepreneurs enter the market with new or improved goods and services to meet latent or unmet demand. While there are many benefits to this approach, it also comes with inherent challenges.

• (1635)

Funding levels can fluctuate because of budgeting or a shift in government priorities. Program dollars are often spread across many priority areas in small amounts that are insufficient to give promising companies the boost they need to succeed in commercialization. Finally, programs that aren't linked to the needs of the marketplace also suffer because there is not enough demand to support the increased supply.

In recent years, countries such as Finland, the United States and the United Kingdom, alongside emerging economies, including China and Brazil, have adopted more targeted policies, such as procurement, to support innovation. Procurement works because it links government support for innovation to the needs of the marketplace. It also provides a stable source of demand, which is a key attractor for private investment. Therefore, procurement should be seen as a vital piece of the greening government strategy, much more than just greening what government purchases for its own use, like paper, pens, computer servers, etc. Rather, deploying modern procurement practices can provide value for money, while reducing emissions and spurring technology in government buildings, energy supply, fleet vehicles, and even in areas deemed by government as special purpose.

Modern procurement practices used around the world built the world's first electric ferry in Norway, which is powered by Canadian technology. It's creating electric buses for public transit that can be charged in five minutes and building a low-carbon passenger train through Germany. Both examples, again, use Canadian clean technology. Procurement can buy you an electric school bus or build you a net zero carbon building. The possibilities are truly endless.

By nature, I am ambitious. I have to be. I work in climate and energy policy.

To conclude, I want to leave members of the committee with a slightly bolder idea for government leadership, beyond simply looking at how it tackles the low-carbon economic transition in its own operations.

In addition to leveraging its spending power for its own operational needs, the federal government plays a substantial role in provincial, territorial and municipal procurement, when it provides a share of the funding required for transportation, energy, social services, education and other projects via its infrastructure program. Under the current government, the size of that investment is reported to be \$180 billion over the next 12 years.

Canada not only has the ability to be a leader in clean tech, but also in low-carbon cost-effective building materials. While the greening government strategy recognizes this and is currently working on a process to prioritize these products to help them meet goals around reducing carbon in areas such as real property, Canada should consider looking outside this box and deepening its impact by partnering with other levels of government. Aspects of the greening government strategy, including clean-tech adoption and modern procurement practices, can generate a magnified positive impact and create a larger, broader competitive low-carbon benefit to Canada's economy. It's an exciting opportunity.

Once again, I thank the members of the committee for inviting me to speak this afternoon. When appropriate, I would be pleased to take questions.

**The Chair:** Thank you very much, Ms. Petreva.

We also have with us representatives from the CanadaCleantech Alliance.

Monsieur Leclerc, I understand that you have an opening statement. Would you care to introduce your colleague and then proceed with your statement, please?

[Translation]

**Mr. Denis Leclerc (Chairman of the Board and President and Chief Executive Officer, Écotech Québec, CanadaCleantech Alliance):** Thank you very much, Mr. Chair.

My name is Denis Leclerc, and I am chairman of the board and president and chief executive officer of Écotech Québec. We represent Quebec's entire clean tech cluster. I also chaired the board of directors of the CanadaCleantech Alliance. I am joined by Jean-François Béland.

**Mr. Jean-François Béland (Administrator and Vice-President, Corporate Affairs and Strategy, General Fusion, CanadaCleantech Alliance):** My name is Jean-François Béland, and I am a member of the board of directors of the CanadaCleantech Alliance. I am also vice-president of General Fusion, in Burnaby.

**Mr. Denis Leclerc:** The expertise of Canadian clean technology firms is very broad. It includes water treatment and management, waste management and reclamation and, as Ms. Petreva just mentioned, air treatment. So there is a wide range of expertise here, in Canada. Our context is also conducive to the development of those innovations thanks to the availability of numerous natural resources, strong leadership in the fight against climate change, as well as the research and development environment, which is very dynamic.

That fertile ground is an asset, but we could do better. Canada could be a world leader in clean technology. Despite all the assets I just listed, businesses must show the "techno-economic" benefits stemming from their innovations. So they are often searching for

testing grounds or demonstration projects, also called storefronts. We are not talking about storefronts in a shopping centre; those are real demonstration projects in concrete operating conditions. Such projects are necessary to help businesses improve their marketing capacity. The government and Crown corporations—we think it is very important to also associate those corporations—have a purchasing power of several billion dollars a year. That is a tremendous tool to develop not only a healthier environment, but also an innovative sector like clean technology.

At CanadaCleantech, we prioritize six initiatives on the use of public markets that aim to stimulate the clean technology sector. Those six priorities are divided into two families.

The first aims to remedy the shortage of testing grounds or demonstration projects to test the benefits of Canadian clean technologies and demonstrate them. The objective is to help businesses market their clean technologies. The first measure is the creation of testing grounds or technological storefronts in departments and Crown corporations. We could talk about that further. The second initiative is about applying the quotas reserved for clean technologies to new public organization investments. The third initiative is the creation of spaces for exchange, referred to as marketplaces, between potential users of those technologies and Canadian innovators. Very often, people are unaware of what they don't know. It is very difficult to request technologies you don't know about. Those are the three priorities of our first family.

The second family, which consists of three initiatives, mainly focuses on the integration of best performance criteria in public tenders, so as to promote local technologies and achieve Canada's economic and environmental objectives. The first initiative is about taking into account the total cost of ownership in the calculation of costs related to the awarding of a government contract. We are talking about the total cost of ownership here, and not the cost of acquisition. The second initiative is the introduction of a premium related to exceeding minimum environmental standards in the scoring of tenders. Finally, the third initiative is about broader use of performance contracts. It's a matter of specifying what needs to be achieved and not how it needs to be achieved.

• (1640)

The application of our recommendations would accelerate the shift to a green economy and lead to much cleaner growth. It would directly benefit many innovative Canadian businesses, stimulate a very promising sector and create high quality jobs. It would also support the government in the achievement of its economic and environmental objectives and, most importantly, its greenhouse gas emission reduction objectives.

[English]

**The Chair:** Thank you very much.

We'll now go into our round of questioning, starting with seven minutes.

Madam Ratansi, you're up.

**Ms. Yasmin Ratansi (Don Valley East, Lib.):** Thank you very much.

Thank you for being here. I am so glad we see a national voice for clean-tech sectors.

You were talking about innovation and how you could have a place to showcase some of that innovation. Can you give me an update on what's happening? You have MaRS Cleantech there, so you can have an incubator that will do it. That is question number one.

You also talked about investment in innovation. I'm wondering whether you are familiar with the five clusters that the minister for economic development has. How does it intersect with what you're trying to do?

Madam Petrean, I was very impressed with what you were saying, but I also want to know how, in your opinion, the greening technology intersects with the work you're doing.

Mr. Leclerc.

•(1645)

**Mr. Denis Leclerc:** In terms of procurement, it's MaRS or other organizations across Canada. If you talk to entrepreneurs, they will tell you that they are always looking for a place to demonstrate their technology. Now, when they knock on the door of a private company, what is the answer? The answer is, "Good luck, but we have other priorities. We have production priorities. We are not a laboratory." This is what they're hearing. The question is how to cope with this.

We're not the only country like this. I am a member of International Cleantech Network, which is a network of clean clusters from 14 countries. They have the same problem. What other countries are doing is that they are using their own government to showcase the technology. Sarah talked about Finland. Finland has a very aggressive policy in terms of clean technology. For example, they want to use 1% of their total annual expenses to procure Finnish clean technology.

This is an example of how a government can accelerate the pace not only of development of technology but also adoption, because with this fabulous showcase, then the entrepreneur can bring other customers around the globe to—

**Ms. Yasmin Ratansi:** Before Mr. Béland answers, there are places like IRAP. If IRAP can help in the development of the prototype, then perhaps that can facilitate the marketing of that product. I actually have six clean-tech companies in my riding that are export-ready and that have exported to different parts of the world. I am trying to connect the dots: Where is the disconnect?

Monsieur Béland.

**Mr. Jean-François Béland:** I would say that with the actual policies in place, IRAP, SDTC, SIF at ISED, and others, a lot of that is being done, with 10% to 15% to finish to go to the end of the road. Essentially, it could be the procurement system of Canada, where the federal government and other public administrations in the country could use this test bed. It is very difficult right now for small start-ups or SMEs all around the country that want to try to sell. It's tough in general to try to sell to the federal government, but it's much

tougher when you are a clean-tech company. You need, for example, a level of capital and a first reference, but you don't have the reference. You started the start-up in a corner of your backyard.

That's where the Government of Canada could be used. It's not a very difficult, expensive tool. Really, it's giving a chance to the small, local SME to move forward and give them the first right to bid. One of the assumptions in the market, unfortunately, is that people always think that clean tech is more expensive. It is sometimes true, but it is not always true. That's fundamental.

**Ms. Yasmin Ratansi:** I have another question.

Has CTN been dismantled? There was a Canadian technology network which was allowing companies to access...probably angel financing, or to be given an incubator.

Are you familiar with that?

•(1650)

**Mr. Denis Leclerc:** No, I'm not.

However, there's a difference between development and innovation, like with IRAP, being in an incubator like maybe CTN, and commercializing your innovation.

**Ms. Yasmin Ratansi:** Oh, yes, there is a difference.

**Mr. Denis Leclerc:** There is a big difference. That's why we need to focus on where to showcase, not how to develop. When it's developed, it's how to showcase your technology in order first to demonstrate the benefit, second to attract other customers, of course, and then you can export your technology.

It's good to help export technology to other countries, but I think our environmental performance in Canada is not that great. Can we use our made in Canada technology to improve our environment?

**Ms. Yasmin Ratansi:** Ms. Petrean, do you have an answer to how we can intersect the policies of the government so that greening government intersects with what you're doing?

**Ms. Sarah Petrean:** If I understand your question correctly, you want to know about the work that I'm doing at Clean Energy Canada specifically.

**Ms. Yasmin Ratansi:** Yes.

**Ms. Sarah Petrean:** Our mission and mandate as an organization is that we're a policy think tank. We work on climate and energy policy. Our overall mission is to support or encourage Canada's transition towards a low-carbon economy.

We see some of the work that is happening through the greening government strategy, particularly the tools around clean technology adoption/procurement, as essential to what Canada says needs to happen, which is clean growth.

I think a lot of the mistakes that folks make when they're looking at environment policy is that if we reduce emissions, clean growth is going to happen automatically. However, there are targeted initiatives and actions that government needs to take, which we encourage, that will result in clean growth. Some of those are being realized through the greening government strategy.

**The Chair:** Thank you.

**Ms. Sarah Petrean:** If I could just add—

**The Chair:** Very quickly, please, Madam.

**Ms. Sarah Petrevan:** —very quickly to what my co-panellists were saying, while financial support is great for clean technology adoption, probably the first thing that somebody says when you're trying to sell technologies to another country is, "Where is it being used in your country?" It's important to actually have that commercialized example within Canada for exports abroad.

**The Chair:** Thank you very much.

Monsieur Deltell, for seven minutes, please.

[*Translation*]

**Mr. Gérard Deltell:** Thank you, Mr. Chair.

Ladies and gentlemen, I appreciate the opportunity to speak to you. Welcome to your House of Commons.

I was paying careful attention to your comments that were meant to highlight high technologies, which are business opportunities, as we have always recognized. That is why our government implemented, a few years ago, the Canada ecotrust for clean air and climate change program, which has been pretty successful: \$1.5 billion in contributions enabling businesses to reduce their environmental disconnect or bill—we can say both. That was our approach. We were helping businesses be more effective and energy efficient.

I would first like to turn to Mr. Béland and Mr. Leclerc.

What do you think gives entrepreneurs more incentive? Is it punishment because they produce greenhouse gas emissions or, on the contrary, helping them produce better to reduce those emissions? Is punishment the best method or, on the contrary, is it the encouragement to produce better?

**Mr. Denis Leclerc:** I don't know anyone who likes punishment, but one strategy always involves the carrot and the stick. That is why we must be pretty realistic. Some entrepreneurs and businesses will not make moves until they are forced to. That is a human thing. Those who have children know it. One strategy involves the carrot and the stick.

We must proceed fairly. We must measure the impact we will have not only on the business as such, but on its direct environment in its community and on the country.

As a country, what can Canada get from having products that are in higher demand abroad, mainly because of their low carbon footprint? Let's take the example of a business that wants to produce a pencil abroad. Large chains will ask it how much it is selling the pencil for, how many it can produce and what the carbon footprint of its product is. A reduced environmental footprint of our products becomes a way to sell them better.

• (1655)

**Mr. Gérard Deltell:** That's why our government created an ecotrust. Under our government, greenhouse gas emissions decreased by 2.2%. Our government also helped research and development companies. I know what I'm talking about. My constituency is home to CO<sub>2</sub> Solutions, a company based in the Lebourgneuf sector that recently obtained another government

contract. The Honourable Jean-Yves Duclos went to see people from the company, and I'm very happy about that.

For the record, I went to see them 12 years ago, when they received a visit from the Honourable Stéphane Dion, the former Minister of the Environment. When I was a journalist, I reported on them and said that the company was a model and an example to follow.

**Mr. Denis Leclerc:** That's true.

**Mr. Gérard Deltell:** Our government continued to support the company, which has helped reduce greenhouse gas emissions in Canada's oil sands region. As we know, this area of the world has the highest environmental standards. We can be proud of the Canadian oil produced in our country, by people from our country. The environmental footprint of the oil is being reduced by workers across Canada, including people in my constituency.

Mr. Leclerc and Mr. Béland, I would like to delve deeper into the issue of companies.

In your opinion, how can a company succeed when it's trying to reduce its environmental footprint while competing with a company based in Asia, for example, which is at the other end of the world and which has environmental obligations that are completely different from the obligations that Canadian entrepreneurs are asked to meet in order to have a good ecological footprint? I used the word "asked" here rather than "required," since it's not a stick.

**Mr. Jean-François Béland:** When we travel around the world, we often realize that companies in China and other countries aren't adapting to the market forces, but to the environmental reality, air quality or other factors of this nature. The countries are adapting. We can see that clean technology is a rapidly growing environmental market in China, and we're seeing the same thing everywhere. Obviously, the reason for this phenomenon isn't necessarily related to the market reality, but to the environmental reality. We're seeing it more and more, and unfortunately, they're...

**Mr. Denis Leclerc:** Take the example of aluminum in Quebec. Now, with the new technology and the use of hydroelectricity to produce it, Canada's aluminum is the greenest in the world. Admittedly, it's difficult to increase the price when selling aluminum on the market, since aluminum is a commodity. However, let's think about the fact that aluminum users will increasingly look for green aluminum.

Take our cellphones, for example. They contain aluminum.

**Mr. Gérard Deltell:** They also contain oil.

**Mr. Denis Leclerc:** They contain oil and precious metals. Many parts come from Canada, but there's also aluminum. Manufacturers are increasingly looking for green aluminum or products with a low carbon footprint.

I want to draw your attention to something in this regard. The carbon footprint isn't the only issue at stake. We also have what's called the environmental record of products. We'll be focusing more and more on water, waste and even the social impact in terms of jobs and the direct impact on the community. This is already happening in certain places, and we can see that, very soon, it will be happening everywhere.



[English]

**The Chair:** Thank you very much.

Mr. Blaikie, you're up. Hopefully we can get Madam Petrean engaged in this dialogue as well.

**Mr. Daniel Blaikie:** I hope to.

• (1700)

[Translation]

I'll start by asking Mr. Leclerc a question.

Earlier, you mentioned that the purchasing power of Crown corporations was significant and that it could be used to promote a green agenda. In the first hour, we were told that Crown corporations weren't part of the greening government strategy.

Would this strategy be more effective if Crown corporations were included?

**Mr. Denis Leclerc:** There's always room for improvement. Take the example of Crown corporations, such as museums. When we think about it, museums are extraordinary places to test energy efficiency technologies, especially air treatment technologies. All these Crown corporations are a good area for action, more so than the Department of Finance, for example. That's why we must assess their full potential to test clean technology. It isn't always necessary to invest millions or hundreds of millions of dollars into water treatment, for example. Smaller-scale and lower-cost clean technology exists.

In Finland, Helsinki wants to become the greenest capital in the world. How will it do so? It will demonstrate its clean technology in different parts of the government, including Crown corporations, or their Finnish equivalent.

**Mr. Daniel Blaikie:** Thank you.

Mr. Béland, do you have a brief comment?

[English]

**Mr. Jean-François Béland:** I want to say that if the state decided that the Crown corporation needs to be in this sector,

[Translation]

the notion of green government should fall under the public interest of Crown corporations in the world, such as VIA Rail or Atomic Energy of Canada Limited.

**Mr. Daniel Blaikie:** Thank you.

[English]

On procurement in general, I'll turn to Ms. Petrean.

VIA is an interesting reference. I'm hearing today that VIA is looking at contracting with a German company that does production in California, I think, for some of its new trains in southern Ontario and Quebec.

When we talk about green procurement, can you talk a bit to the role that international trade deals play? In terms of how government departments or Crown corporations procure their materials, we don't have provisions in trade agreements. Often, if you adopt a policy of saying that we want to buy something closer to home or we want to

use a Canadian company because we think it's going to be more green, you can instead be accused of presenting a non-tariff trade barrier and be blocked from doing those things.

What import does a growing network of international trade deals such as CETA, the TPP and the USMCA have for green procurement?

**Ms. Sarah Petrean:** The good news is that last year Clean Energy Canada did a bunch of legal work and worked with a couple of firms to dig into these trade agreements to study more about how you and other countries have done it and how you get around it; most notably and most interestingly is probably through the United States....

Basically, to summarize.... I would be happy to have a conversation with you subsequent to this, because it's a very long-drawn-out and very detailed area of policy, but the summary is this. I think the Business Development Bank of Canada says that about 98% of Canada's economy is either a small or a medium-sized enterprise. Most trade agreements, including the ones you mentioned, have provisions in them for something called an SME set-aside, where you can direct a certain dollar portion of your procurement below  $x$  amount. Different trade agreements have different dollar amounts. Some of them are actually quite generous to focusing on SMEs within a certain jurisdiction.

You can also add other attributes to SME procurement, such as environmental objectives, and a lot of the trade agreements do recognize that there is some sort of desire to have environmental goals within them. The new U.S.-Mexico-Canada trade agreement also has a lot of provisions around this. We prepared a submission during the NAFTA negotiations to specifically provide that Canada be allowed to maintain its environmental and SME objectives in the new trade agreement. We were pleased with what we saw.

You are right that oftentimes it is assumed that trade agreements and tariffs limit what can be done in terms of low-carbon or environmental procurement, or even SME procurement, but I am pleased to say that within certain provisions and within certain allowances you can actually get around it in quite a trade compliant way. In fact, the World Trade Organization regularly gives seminars to different member countries on how to do this correctly.

• (1705)

**Mr. Daniel Blaikie:** If I understand correctly, there's some work involved in that in terms of framing projects in the right light in order to get around the more general rules in the agreements.

**The Chair:** Can you respond quickly to that?

**Ms. Sarah Petrean:** There is some framing work. It's not extremely difficult. Many other countries, including Uruguay, have done it, so I feel like if Uruguay can do it, Canada can figure it out.

**The Chair:** Thank you very much.

Mr. Jowhari, you have seven minutes.

**Mr. Majid Jowhari (Richmond Hill, Lib.):** Thank you, Mr. Chair.

Let me start by welcoming all our witnesses, especially Madam Petrevan. I understand you're coming to us from Richmond Hill. As the member of Parliament for Richmond Hill, it's always good to see community activists and organizations from there.

**Mr. Kelly McCauley:** Conflict....

**Mr. Majid Jowhari:** There's no conflict—acknowledgement.

Let me start by asking Madam Petrevan a quick question.

A lot of countries have been mentioned, such as Finland. You just mentioned Uruguay.

As you belong to a think tank, I'm sure you've done some research into some of the best practices and some of the benchmarking as far as countries are concerned that are leading in clean tech and in greening, and coming up with policies, specifically procurement policies. Can you share with us who those countries are? Also, when we compare our greening strategy with their greening strategy, where do we stand?

**Ms. Sarah Petrevan:** Thank you for the question.

I don't actually live in Richmond Hill. It's just the closest location to where I actually live. I hail from Durham region.

**Some hon. members:** Oh, oh!

**Mr. Majid Jowhari:** That hurts.

**A voice:** No conflict....

**Mr. Majid Jowhari:** No conflict....

**Ms. Sarah Petrevan:** I mentioned in my remarks that Canada would be joining about 56 other national governments in terms of starting to look at greening government and leveraging procurement. I would say that Canada is one of the leader nations to get involved in this. That all being said, that's okay. The point is that we're actually doing it, and we are looking at policies. This is why I would always encourage us to move faster, if possible.

**Mr. Majid Jowhari:** Which country would be the leading country?

**Ms. Sarah Petrevan:** It depends on what aspects you want to talk about. In terms of getting small business innovation procurement, the United States has been doing extremely well at this since the 1970s.

**Mr. Majid Jowhari:** Greening procurement government policies....

**Ms. Sarah Petrevan:** There are lots of different aspects of greening government procurement policies.

I would encourage Canada to look at the SBIR program in the United States, which we have done a bit through the innovative solutions Canada program, but there's cause to go further.

I would specifically look to the United Kingdom's Commissioning Academy as to how they have retrained their procurement officials to look at modern approaches to procurement, including outcomes-based procurement. This would be a radical shift for Canada, but any country that has done this well has moved towards outcomes-based procurement.

I would encourage Canada to look at Norway as an example in how they've leveraged outcomes-based procurement for Canadian technology. Certainly, as both Denis Leclerc and I have mentioned a number of times, Finland is a leading jurisdiction to look at. Even—

**Mr. Majid Jowhari:** On the question of policy, we have developed a greening policy. How close are we with any of those you mentioned as far as comparison is concerned?

**Ms. Sarah Petrevan:** Although we have laid out a greening government strategy, we're actually fairly early on in its implementation. As you know, when it comes to policy, the devil is always in the details. On the face of it, we're doing extremely well. Providing that we can get the implementation going, the implementation correct, and create some change in the system, we will be in great shape.

•(1710)

**Mr. Majid Jowhari:** Thank you.

Mr. Leclerc, you recommended three different points.

One of them was the implementation of a quota. I'm trying to get a better understanding of what you meant by the implementation of a quota. Can you expand on that, please?

**Mr. Denis Leclerc:** I'm sorry, I'm going to come back to Finland.

**Mr. Majid Jowhari:** Okay.

[Translation]

**Mr. Denis Leclerc:** Finland requires that 1% of all annual purchases of goods and services be directed to Finnish clean technology.

[English]

That's the type of quota. We have quotas in Canada when we're building—

**Mrs. Alexandra Mendès:** —a bridge?

**Mr. Denis Leclerc:** Public buildings. We need to put *des oeuvres d'art*. Help me with my English.

**Mrs. Alexandra Mendès:** Masterpieces.

[Translation]

**Mr. Denis Leclerc:** It's a percentage of the building cost. We have the same thing in Quebec. One per cent of the construction cost is allocated to a work of art. Why can't 1% of infrastructure costs be used to demonstrate Canadian technology? Entrepreneurs will tell you that clean technology is also a work of art. How can we reach a similar quota that would demonstrate Canada's expertise?

[English]

**Mr. Majid Jowhari:** Thank you.

On April 2017, I understand, your organization was invited by the centre for greening government to be part of a round table.

[Translation]

**Mr. Denis Leclerc:** Yes.

[English]

**Mr. Majid Jowhari:** Can you expand on that and explain to us what came out of that round table?

[Translation]

**Mr. Denis Leclerc:** First of all, it was very interesting. That's where I met Nick Xenos for the first time. The goal of the roundtable was to determine how to speed up green procurement for a government, and more importantly, how to do so simply and effectively.

Yesterday, I explained to senior officials that I was coming to meet with you today. One of them told me that I absolutely had to inform you that procurement for the government is extremely complicated. There should be a fast track or an accelerated process to obtain technology that would help us address our priorities and objectives, including the reduction of greenhouse gas emissions or clean water.

[English]

**The Chair:** Thank you very much.

Mr. McCauley, you have five minutes.

**Mr. Kelly McCauley:** Ms. Petrevan, just to set the record straight, if you're not in Richmond Hill, where are you, so Mr. Jowhari knows?

**Ms. Sarah Petrevan:** Physically right now I'm in Richmond Hill, but I live in the blossoming metropolis of Brooklin, Ontario—

**Mr. Kelly McCauley:** Fantastic.

**Ms. Sarah Petrevan:** —in the riding, I believe, of Whitby.

**Mr. Kelly McCauley:** You mentioned the U.S. with procurement practices. We were doing a procurement study on small businesses, and they are light years ahead of us on a lot of issues.

Can you expand a bit about the comment on what they are doing? You said they have been doing that since the 1970s.

**Ms. Sarah Petrevan:** The United States has a program called the small business innovative research program. The program does a whole bunch of different things for SMEs. Yes, it does have some what they call a small-business set-aside, but they also do set-asides for veteran-owned businesses, women-owned businesses and businesses owned by people with disabilities.

What they do is set aside certain small portions of their government procurement. For example, 20% of government procurement through the SBIR program is going to support these particular groups, so they're going to ensure that they procure 20% of their goods and services from small businesses.

That has allowed small businesses to participate in government contracts, and it brings in a healthy amount of innovation at a very cost-competitive rate. There have been a number of studies based on the program that have shown how successful it has been in encouraging a culture of innovation using procurement through the U.S. government.

There are a number of different U.S. government departments you could look at, particularly with environmental performance. The U. S. Department of Defense is miles, light years ahead of—

• (1715)

**Mr. Kelly McCauley:** I understand that.

I was meeting with some of them recently. They were telling me that these set-asides are voluntary. They meet them because of the

fear of being called out, whereas we actually have forced set-asides that are completely ignored by our departments.

**Ms. Sarah Petrevan:** It depends. Some of the set-asides in the U. S. departments aren't voluntary. There is a government commitment for a 20% set-aside. I can't remember which piece of United States legislation it's in, but I could look it up for you.

A lot of the culture around the set-aside market in the U.S. is just that this is generally a good thing to do. If I had to pick a favourite government department to look at, I would encourage you to look at the rapid adoption of clean energy technology undertaken by the U. S. Department of Defense.

Mind you, they're doing it for reasons other than just a desire for environmental performance. It has to do with energy sovereignty. Still, they have one of the largest research budgets in the world.

**Mr. Kelly McCauley:** I'll ask a question of Mr. Leclerc, Mr. Béland, but it is also for you.

If we're looking at what the U.S. is doing, we see that the U.S. Department of Defense is doing very well. Where do you see the low-hanging fruit in Canadian governmental departments that we could focus on? Like in Pareto's law of averages, we're going to 80% from the 20%. Where should we focus?

Gentlemen, I'll go to you first, then Ms. Petrevan.

**Mr. Jean-François Béland:** The easiest thing could be on the test bed in smaller departments. It's easier to move Fisheries—though it's also a big department—than to move DND, for example.

There's more innovative culture there. That's the type of place where we could have lower-hanging fruit, no doubt.

As she said, the procurement process is extremely complex and very tough to change. We're trying to repaint the walls, but we have to rebuild the house.

**Mr. Kelly McCauley:** Yes, and you need the permits to rebuild the house and you can't get them until you repaint the walls. I know how procurement works.

Mr. Leclerc.

**Mr. Denis Leclerc:** I agree with Jean-François. The idea is to not always think big, but think smart.

Where will the best place be? The culture is important—the culture of a ministry or crown corporation. There are so many places where we, as a society, can help those innovations to grow, be adopted, be exported, to create jobs here and improve the quality of our own environment.

**The Chair:** Thank you very much.

I think we'll go to our last and final intervention, for five minutes. That will be Monsieur Drouin.

After that, colleagues, I believe we will be in a position to adjourn the meeting. We have votes in about 20 minutes. I'd like to make sure everyone can get back there on time during rush hour.

Monsieur Drouin.

**Mr. Francis Drouin:** Thank you, Mr. Chair.

[Translation]

Mr. Leclerc, I'll start with you. Are you familiar with the build in Canada innovation program?

• (1720)

**Mr. Denis Leclerc:** Yes. It's a very good step.

The build in Canada innovation program is designed to help entrepreneurs make their first sale. I already see a difficulty there. If the entrepreneurs have already made their first sale to their neighbour, they would then be ineligible. I'm joking a bit, but the program does impose some restrictions in this area.

When we talk about “demonstrating,” we aren't automatically referring to “purchasing.” As Ms. Petreva said, in procurement, there are ways to not only acquire an innovation, but also to demonstrate it. I commend the build in Canada innovation program for making improvements and creating new opportunities. I know of entrepreneurs who went through the whole process and whose technology was used at Parks Canada, in Banff. It wasn't close to their home, but they had a great opportunity to demonstrate their technology. It was their first sale.

Now, we'll need to see what happens next. People shouldn't be excluded from the program simply because they have already made a sale. That said, I believe that the senior officials in charge of the program are willing to improve it. I know that they have many good ideas.

[English]

**Mr. Francis Drouin:** Ms. Petreva, it's nice to see you again. I haven't seen you in eight years.

When we talk about greening procurement, one of the complaints that small businesses will make is about how to put that policy in place without thickening the RFP process.

I'm wondering if, through your work, you've looked at other jurisdictions where they've done this in a fashion that simplified the procurement process for small businesses and at the same time achieved their goal, which is to green the procurement objectives.

**Ms. Sarah Petreva:** It's wonderful to see you. I can't believe it's been this long.

The short answer is yes. There's a couple of different ways you can do it.

Number one, you apportion out a procurement. Rather than giving a giant list of the criteria you have to meet for a \$100-million contract, you would say that maybe 10% of this contract you hope will go toward SMEs. That's one way of doing it.

Another way you can do it—and even jurisdictions like India have done this—is to create templates for simplified tenders. Because they're only competing for a smaller portion of the tender, it's much easier for them to complete and fill out.

There are also other jurisdictions like the United Kingdom, and even the United States, that have dedicated offices to help small businesses work through procurement processes.

I would say those three things—apportioning out your procurement, streamlined tender application forms and having a dedicated office—generally are international best practice. Even the Organisation for Economic Co-operation and Development, the OECD, recommends that is how they do it. That is pretty much how every jurisdiction that does SME procurement makes it work.

**Mr. Francis Drouin:** Great. Thank you.

I think I'm out of time.

**The Chair:** Thank you very much.

To all of our witnesses, thank you so much for appearing with us today, some in person and some by video conference.

I would suggest this. It appeared that many of you had additional information, but due to time constraints that we always have for the committee, you probably had little opportunity to expand upon some of your thoughts. I would encourage all of you, should you have additional information that you think would be of benefit to our committee as we continue with our study, to please provide additional information to our clerk, who will then be able to make sure we incorporate that into our final report.

Once again, thank you for taking the time to be with us.

Colleagues, we are adjourned.







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