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• (1100)

[English]

The Chair (Kelly McCauley (Edmonton West, CPC)): Good morning, everyone.

Welcome to meeting number 35 of the House of Commons Standing Committee on Government Operations and Estimates.

We welcome back our good friend, procurement ombudsman, Mr. Jeglic.

It's wonderful to have you here. I said before that you're a great friend of the committee, a great friend of taxpayers and those seeking fairness in our procurement system.

It's wonderful to have you back.

We'll turn the floor over to you for five minutes, sir.

Alexander Jeglic (Procurement Ombud, Office of the Procurement Ombud): Thank you very much.

First, I'd like to begin by acknowledging that the land on which we gather is the traditional unceded territory of the Algonquin Anishinabe people.

Thank you, Chair and members of the committee, for inviting me here today to share the results of my office's review of federal procurement practices related to contracts awarded to indigenous businesses under the procurement strategy for indigenous business, which I will refer to for the remainder of the session as PSIB.

[Translation]

My office was established in 2008 as a neutral and independent organization that helps resolve contractual disputes between Canadian businesses and the federal government.

We review supplier complaints, provide mediation services to help resolve contract disputes and conduct systemic reviews of procurement practices across roughly 90 federal departments and agencies.

[English]

My office launched this review in response to long-standing concerns regarding the implementation of PSIB. Testimony before this committee, media reporting and procurement data have all pointed to systemic challenges in how PSIB is being implemented.

We launched this review to assess the procurement practices of selected departments in relation to contracts awarded under PSIB.

We reviewed Indigenous Services Canada's guidance and oversight of PSIB and its reporting against the federal 5% indigenous procurement requirement.

We also examined 27 PSIB set-aside contracts to determine whether their procurement practices supported fairness, openness and transparency, and whether they were consistent with applicable legislation, regulations, policies and guidance.

[Translation]

The five departments subjected to our review were Indigenous Services Canada, Public Services and Procurement Canada, Employment and Social Development Canada, Correctional Service Canada and Shared Services Canada.

[English]

Our most significant finding is that the federal government lacks a clear, centralized policy framework for indigenous procurement, resulting in fragmented guidance, unclear roles and inconsistent implementation across departments. This has led to confusion about when to apply the PSIB set-aside, how to verify indigenous ownership and how to monitor and enforce compliance.

Many files lacked verification of indigenous business directory status, and some suppliers were not listed in the indigenous business directory at the time of contract award.

Moreover, for PSIB contracts over \$2 million, Indigenous Services Canada must conduct a pre-award audit to verify the 51% indigenous ownership; yet in most cases, there was no evidence on file that the audit was ever requested or completed.

[Translation]

Equally concerning are the oversight gaps that affect whether PSIB contracts deliver real economic benefits to indigenous communities.

[English]

We found no evidence that departments verified compliance with the requirement for 33% of the work on PSIB contracts to be delivered by indigenous-owned companies, nor that they had tools to track it. As a result, there was no reasonable assurance that indigenous businesses performed a meaningful share of the work, rather than acting as a flow-through while most of the work was carried out by non-indigenous suppliers.

When it comes to reporting of results, Indigenous Services Canada reported that the government awarded \$1.24 billion to indigenous businesses in 2023-24, surpassing the 5% target. However, our review found that the current reporting approach overstates the actual economic benefit to indigenous businesses as it includes the full value of contracts, both PSIB and non-PSIB, without accounting for the portion of the work performed by non-indigenous entities.

We also noted concerns related to documentation, specifically multiple cases where required solicitation and contract clauses were missing. When these clauses are missing, there is no formal mechanism to hold contractors accountable for meeting PSIB obligations.

These gaps in oversight are particularly concerning because indigenous suppliers challenging the award of contracts under PSIB cannot access the recourse mechanisms of the Canadian International Trade Tribunal, or those of my office, as PSIB contracts fall outside the scope of trade agreements.

The issue has existed for 30 years. This means that these indigenous-owned companies' only option is to go to Federal Court, a process that is onerous, time-consuming and often prohibitively expensive.

- (1105)

I've long advocated for regulatory changes to fix this gap. One of my three recommendations in this report is to establish an impartial recourse mechanism for indigenous suppliers.

[Translation]

Overall, fragmented guidance, inconsistent practices and weak oversight mechanisms reduce opportunities for indigenous suppliers and erode their confidence in federal procurement.

[English]

Through our outreach, indigenous business owners shared concerns about how PSIB is being implemented, and our findings confirm many of these concerns. To address these issues, I made three recommendations.

The first one is to develop a comprehensive indigenous procurement policy. Indigenous Services Canada, in collaboration with first nations, Métis and Inuit stakeholders, should develop a comprehensive, government-wide indigenous procurement policy, with support from PSPC.

The second one, which is long overdue, is to establish a permanent recourse mechanism to review indigenous supplier complaints about the award of PSIB contracts. My office should serve as a temporary interim mechanism until a permanent and potentially indigenous-led model is established.

[Translation]

The third recommendation is to improve reporting. Indigenous Services Canada should ensure that reporting on the 5% target reflects only the value of work actually carried out by indigenous businesses, so that reporting accurately reflects the actual impact on these businesses.

[English]

Before I close, I want to emphasize that indigenous procurement is a powerful tool for economic reconciliation, but only if it is applied consistently, transparently and with strong oversight. The current gaps in policy, guidance, monitoring, reporting and recourse mechanisms undermine the effectiveness of PSIB and erode confidence in federal procurement.

[Translation]

This report should serve as a turning point in strengthening the administration of indigenous procurement.

[English]

Implementing my office's recommendations will help ensure that the intended economic benefits reach indigenous communities and strengthen trust in Canada's procurement system. The pillars behind the PSIB strategy are good, but the implementation is not. The next steps must provide indigenous businesses with better outcomes, not worse.

My office believes accountability and transparency are crucial to ensuring that progress is made, and it will monitor and publicly report every six months on the implementation of these recommendations. I note that this is a significant change from our normal practice of two years.

[Translation]

Thank you for your attention. I would be pleased to answer your questions.

Thank you.

[English]

The Chair: Thank you, sir.

We'll start with Mrs. Block for six minutes.

Kelly Block (Carlton Trail—Eagle Creek, CPC): Thank you, Mr. Jeglic, for joining us today.

As we all know, we're here to speak to the report that you tabled at the end of last month on the procurement practice review of contracts awarded to indigenous businesses.

You mentioned that you reviewed five departments, but these aren't the only departments that have the ability to procure services under PSIB. Is that correct?

Alexander Jeglic: That's correct.

We chose the three that have the highest value and volume of procurement, in terms of the sample size that we cite in the report.

To give a quantum to the value of the contracts that were reviewed, of the 27 samples, that amounts to approximately \$100 million in procurement value.

• (1110)

Kelly Block: Wow. Thank you for that.

I want to add that I believe this report is extremely damning of the ongoing issues with PSIB. It is consistent with so many findings over the past number of years of both your office and the Office of the Auditor General when addressing issues with the government's procurement practices in general.

I want to zero in on your second recommendation to PSPC. I should note that the recommendations you have put forward actually mirror to some degree recommendations that were made back in 2018 by this committee in its modernizing procurement report. Here we are in 2026, eight years later, hearing some similar concerns and recommendations coming forward.

I want to zero in on the second recommendation that you mentioned, which is that in collaboration with the Department of Justice, PSPC should establish your office as the interim recourse mechanism office to handle supplier complaints related to the award of PSIB set-aside contracts until a permanent mechanism is established.

Given PSPC's outright rejection of this recommendation, can you provide any more insight to this committee as to why you made this recommendation?

Alexander Jeglic: I can start, Mr. Chair, by indicating that this recommendation flows from a long-standing frustration. As I mentioned in my opening remarks, we have identified this issue as a systemic barrier since 2021-22. This has been an annual occurrence in our annual report that is tabled in Parliament.

I have briefed the department on numerous occasions about the importance of providing a dispute resolution mechanism, and I've never received a formal response as to whether there will be adoption of a regulatory change. As a result, we note that this creates a blind spot. You can imagine that it also creates an awkward conversation when my office goes before indigenous communities and speaks to them about the importance of their engagement in federal procurement but also formally has to let them know that if they do have a complaint, I cannot formally assess the complaint if the contract is awarded pursuant to PSIB.

There is still ongoing work with the department. Even though I know in the report there is seemingly an outright rejection, we are still working behind the scenes with the department to encourage

adoption of the recommendation. There is also the timing. You'll note ISC's response in terms of when they anticipate being able to stand up the permanent dispute resolution mechanism is that it will not be until 2028, so there would be two additional years without a recourse mechanism.

We believe we can create a methodology that would allow for adoption of an interim mechanism. It would also remove a blind spot for our office. We weren't aware of some of the issues in a timely manner because we didn't have the jurisdiction to review certain complaints.

I will say that once we publicly identified the fact that we were doing this report, the number of complaints or issues that were raised with our office by indigenous communities increased significantly. There was a doubling of the number of contacts from indigenous communities, which indicates to me that the problems were there, but they just didn't know where to go, and if they did come to us, the result was not what they were hoping for.

Kelly Block: Thank you.

I know that when I was first appointed to the position of shadow minister for public services and procurement, I did hear from a number of indigenous businesses that were deeply concerned about the process when they had a complaint. I think I referred one of them to your office to follow up with a complaint that they had, and I imagine they would have been very disappointed with the response given the limitations you've outlined for us here today.

I'll end it there, Chair, and pick up again with my next round.

The Chair: Thank you.

Mr. Gasparro, please go ahead.

Vince Gasparro (Eglinton—Lawrence, Lib.): Thank you, Mr. Chair.

It's great to see you both again. As I've said to both of you before and as I've said to other witnesses, thank you for your service to the country.

The economic reconciliation of our indigenous Canadians is of particular importance to me. I have some experience working with indigenous nations. I was formerly the head of clean energy finance at a financial institution, and I had the honour of financing the Six Nations of the Grand River's equity in Ontario's second-largest wind farm, one of the largest in the country.

I got a first-hand look at how important owning assets and generating revenue for development corporations are in particular, as well as the socio-economic impact that revenue provides to individuals on reserve. It was eye-opening for me. Obviously, it was an excellent transaction for the Six Nations, and I was proud that the financial institution I worked for was able to provide that financing with some additional partners.

I raise that because I'm looking at some of the figures here. In 2022-23, indigenous procurement exceeded the 5% threshold, which represented \$1.63 billion in contracts. Then, in 2023-24, we again cleared the 5% threshold with a total of \$1.24 billion awarded to indigenous businesses. It's great to see.

Do you have any line of sight on the multiplier effect of those contracts awarded, such as jobs they created, etc.?

• (1115)

Alexander Jeglic: Mr. Chair, I have two answers.

One, certainly there is a multiplier effect, but where I'll go with the answer is unfortunately a bit negative in the sense that the data points that exist around indigenous procurement are certainly not where we would like them to be. That triggers the second part of my response, which is around the 5% and how verifiable it is that the 5% actually directly impacts indigenous suppliers.

Then, if you'll allow me, I'll build out what we have said in the report and why it's important to get a much stronger baseline set of data so that we can know, as we make incremental progress and hopefully more than that in the weeks and months ahead, how we're progressing.

Essentially, the way the 5% is calculated is a combination of both PSIB set-asides and non-PSIB set-asides that are awarded to indigenous suppliers. When you look at the attributes of the strategy, there are two important criteria. One is 51% ownership and control, and the other one is 33% of the value being delivered by that indigenous supplier that was contracted. The total value of the contract, however, is counted against the value that's included in the 5%, so immediately there's a disconnect that's created. In the 33% specifically, you could have a delta of 67% that's not actually provided to the indigenous supplier but is in fact counted against that 5%.

An additional concern we had was also the amount of discretion associated with the exceptions to the total value of government procurement. It's 5% of the total value of procurement that's ultimately calculated, but these exceptions amount to as much as 50% to 60% of the total value, so you're diminishing the denominator significantly before calculating that 5% criteria.

The last thing I'll say is that in addition, we found a lack of integrity associated with the 33% criteria, and that 33% wasn't a contractual term in all of the contracts we saw. Therefore, the integrity associated with even that 67% figure is in question.

The PSIB has absolutely produced positive results for certain indigenous suppliers, but I don't think it's commensurate with the talking points around the 5%. The 5% has resulted in an overstatement of the impact on indigenous communities, and when you speak to those indigenous communities first-hand, they are also struggling to see that level of impact in their communities.

That being said, our office has also heard very positive things about the PSIB, and there have been positively impacted indigenous suppliers who have benefited from the set-aside. By all means, what I'm asking is let's not punish indigenous suppliers, because any wrongdoing is not theirs. The wrongdoing is in the implementation of a strategy that has existed for 30 years, and that is my ultimate

frustration with why I'm here today. I shouldn't have to speak on 30 years of failed implementation.

That's why I think so many people are disappointed with the outcomes from this report, but it's also important to reflect back on other recommendations made and see why more change hasn't already happened.

I know you asked a data question, and I've taken it elsewhere, but the last point I'll make is about accountability.

Ultimately, we have to have accountability to ensure change. That's where the recommendations are so important to having a policy that provides that centralized guidance to everyone so everyone understands their obligations so they too can experience the positive impact you experienced first-hand across the board so indigenous suppliers feel supported and that they can trust in the federal procurement process.

• (1120)

Vince Gasparro: Is that it?

Okay.

The Chair: That was very good.

Madam Gill, welcome back to OGGO. The floor is yours for six minutes.

[*Translation*]

Marilène Gill (Côte-Nord—Kawawachikamach—Nitassinan, BQ): Thank you, Mr. Chair.

I would like to thank the witnesses for sharing the various findings and recommendations in their report.

I wanted to start by saying that it has now been 30 years. The PSIB is indeed 30 years old. In terms of reconciliation, it has been over 10 years. We have the United Nations Declaration on the Rights of Indigenous Peoples. We have the 5% target, which has been in place for four years. Yet we still haven't reached it.

I'm thinking of the Assembly of First Nations Quebec-Labrador, or AFNQL, for example. The AFNQL asked me about this topic. The organization is wondering whether we currently have everything that we need. I'm not necessarily talking about willingness. However, we could resolve all the issues that you raised in your report. We could do so.

Alexander Jeglic: We could do so for sure. I'm sure that all the issues in our report can be resolved. However, someone must take this matter very seriously. I'm not saying that no one is taking this matter seriously. That said, someone must take responsibility and accountability.

Marilène Gill: Someone must indeed take accountability.

This is more or less the concern that people shared with me when they saw this report. At this point, we're still at the same stage.

I know that the Assembly of First Nations Quebec-Labrador is also wondering about the possibility of establishing which businesses are indigenous. The AFNQL, the Assembly of First Nations and the first nations themselves can't establish which businesses are indigenous. Obviously, for the first nations, this still amounts to a demonstration of paternalism. The first nations would like to carry this out themselves, as they do with the first nations identification, or ID1N.

Couldn't we leave the identification of eligible businesses to the indigenous bodies, which really play a key representational role?

Alexander Jeglic: I'll respond in English to be more specific.

[English]

Indigeneity is a significant issue, but you'll note that one of the scope exclusions of our report was we didn't look at the indigenous business directory. The reason is that at the time of our launch, there were three other groups, including a House of Commons committee and ISC themselves, that were conducting an internal audit and looking specifically at the indigenous business directory, and they were assessing eligibility at the time. We were very concerned that we had no unique expertise around indigeneity and felt like, at a minimum, we would have to provide recommendations consistent with what those reviews were providing.

I absolutely echo the comment about inclusion of all indigenous people in the conversation. Our recommendations are worded in the way they are to ensure that inclusion forms part of the outcome, because if you don't have buy-in from indigenous communities, then what's the point of the strategy?

[Translation]

Marilène Gill: Exactly. This is especially true because, as you also showed in your remarks on the figures, when we exceed 5% and we're actually at 6%, it isn't really 6%.

I would like to talk about another aspect, even though it's a bit off topic. It's actually still related, because these issues are interconnected. The AFNQL was also wondering about authentication mechanisms, as I spoke about earlier, but more generally in terms of the fight against cultural appropriation and indigenous identity fraud. This identity fraud remains a possibility, so we need to address it. The AFNQL is wondering about this and I find the issue noteworthy. I would like to hear your opinion on this.

We know that, when it comes to craft or cultural markets, the products on offer may not be legitimately indigenous. The AFNQL is wondering about this. The United States has legislation in this area. I'm not saying that we should apply legislation in exactly the same way. I'm talking about the Indian Arts and Crafts Act of 1990, which protects the first nations from this type of identity fraud.

Could something be explored? We know that this matter is another issue entirely and that it's a bit off topic. That said, having this type of legislation would strengthen accountability and really support the first nations. They could then say that these products are truly made by the first nations and that these aren't cases where someone decided to make money, as we say in Quebec, on the backs of the first nations.

• (1125)

Alexander Jeglic: I support that sentiment. I'm not in a position to suggest a policy to the federal government, but I do support it. There are indeed examples in procurement.

[English]

There are exceptions already considered in federal procurement, where, for example, a unique supplier for a specific good or service is available to also be an exception to competitive procurement. It sounds like, in the area of cultural appropriation, there are examples where authentication is important. These issues must be looked at through the lens of whether additional protection is necessary.

In terms of a policy position from our office, again, we obviously support indigenous suppliers to make sure they are treated fairly, and that will always be our mandate. Through that lens, I can say it's important to be treated fairly.

[Translation]

Marilène Gill: Thank you.

Thank you, Mr. Chair.

[English]

The Chair: Thanks very much.

Ms. Jansen has the floor for five minutes.

Tamara Jansen (Cloverdale—Langley City, CPC): I want to start with something that happened during my 2024 by-election because I think it illustrates the issue at hand very well.

The Liberal candidate who ran against me publicly identified as Métis during the campaign. It wasn't a passing comment. It was part of how she presented herself to voters. In B.C. and across Canada, Métis identity is not something informal. There are recognized registries and organizations that require documentation, genealogy, community connection and verification. It's a process, and it's intentionally rigorous because it protects the integrity of the identity of people who have carried it through the generations.

During that campaign, the local Waceya Métis Society came forward and asked a very straightforward question. They asked her to provide documentation to substantiate that claim. She wasn't able to produce any of the documentation to satisfy their request.

What I saw was something more important than a headline at that time. It was a serious breach of integrity without any consequences. The issue basically just went away, and it was clear that the Liberal Party hadn't properly vetted their candidate and didn't require any documentation of her Métis background, nothing.

To tell you the truth, I'm not surprised to see these serious breaches in this program that you've documented in your report.

If your report shows that these basic verification steps aren't being taken, what is actually in place to prevent the kind of abuse that Canadians have already seen in other contexts from happening here? What are the consequences for cheaters? Do we even care as long as we hit our 5% target?

Can you explain the lack of integrity in this 33%?

Alexander Jeglic: That's a lot to unpack, but I'll start with the front end in terms of how we can reinstall integrity into the process.

The requirement to be registered on the IBD is that initial check to determine compliance with indigenous eligibility. That check happens, and then there's a subsequent check that can happen by way of contractual provision. The contractual provision can stipulate that there's an attestation indicating that they continue to comply at the time of contract award. Then there's a final contractual provision that would also require continuity of the 51% maintenance through contract performance.

You'll note in our report we also identified that, in contracts in excess of \$2 million, there's a mandatory pre-award audit that would validate that contract award that the supplier is in fact compliant with the 51% ownership and control requirement.

You have four different touch points that would help determine whether that eligibility is being maintained. What you saw in our report was that there were gaps in compliance with each one of those elements. That's how you get to a situation where, even with all of these considerations in place, if the implementation isn't appropriate then, all of a sudden, they're meaningless.

I'll now turn to the 33%. You'll note that we actually excerpted it in our report. There's a fundamental difference of opinion as to what the 33% is meant to achieve. From at least several departments, the view is that unless there's subcontracting involved in the contract, as identified on contract award, there's no need for the 33% provision because ultimately the contract is awarded to an indigenous entity, and there is no subcontracting. Therefore, 100% of the value is flowing back to the indigenous supplier.

The issue we see is that they, in fact, allow for joint venture agreements. There are also instances where you may not identify subcontracting at the initial phase, but the subcontracting happens later, and if you don't have that provision in the contract, you can't enforce the 33% requirement.

• (1130)

Tamara Jansen: I have a very quick question, as I think I'm running out of time.

What about consequences? You don't mention anything in here about consequences. I don't see how we fix it if people aren't actually given consequences.

Alexander Jeglic: In terms of consequences, that's a very good question. I use the term accountability, but consequences are a different form of the same question.

There's been a very recent change, in February 2026, which includes the provision of liquidated damages clauses. That's a pre-es-

tablished calculus as to what financial consequence will happen if you no longer meet that eligibility criteria. If you're alluding to criminal implications, if we're seeing fraud, then that would be something that would have to be referred to the RCMP.

Tamara Jansen: How about consequences for the people who are allowing this to happen?

Alexander Jeglic: Absolutely. You have to imagine how many different people were involved in the implementation of the strategy over 30 years. The same person didn't sit in the chair for 30 years. This touched many hands.

I would say that there is a requirement for accountability and to ask how the implementation has taken 30 years. Everyone talks about the requirement of 5%. Every single deputy in Ottawa, I would suggest, is fundamentally aware of the obligation to deliver on their 5% obligation, but I challenge them to explain all of the tenets associated with the PSIB and how they apply. That's why we argue that the 5% has become a bit of a confusion point, because when it's met, it seems to indicate that the strategy is working. It allows people to relax and feel like everything is working as it should, but when we break down the integrity of that 5%, we start to then question whether the attributes that are....

This is where I want to be careful how I say this, because our office supports all of the tenets of the procurement strategy for indigenous businesses. It's the implementation that is the failure point. Again, it's not the indigenous supplier who's to blame for any of this. The blame is in the implementation.

To go back to the accountability piece, yes, absolutely, I also would like to see accountability. My recommendations have to be about the improvement of the procurement practices. I can't make recommendations around accountability, but that being said, I'm glad we're talking about it. I'm glad that this report is being made public, because I do—

Oh, I'm sorry.

The Chair: I let you go on because it's important to hear.

Go ahead, Ms. Sudds.

Hon. Jenna Sudds (Kanata, Lib.): Thank you very much, Chair.

Thank you very much for the report and for being here today to give us an opportunity to dive into it and discuss it more. It demonstrates, I believe, that our government, certainly in this process and in this discussion, has a deep desire to ensure that indigenous procurement delivers real, tangible economic benefits. This discussion around how we can do better is always productive and welcome. I certainly welcome the recommendations as they've come forward.

You mentioned in an earlier response that you were working behind the scenes with a department, which I assume is ISC, on the process for disputes. Can you speak to us a little more about where that dialogue is at?

• (1135)

Alexander Jeglic: Just to clarify, that dialogue is with PSPC.

There have been several communications with the chief of staff of the minister's office around implementation. We have a deliverable that we are to provide to the chief of staff, breaking out the implementation options in terms of formality, in terms of process and in terms of timelines.

Hon. Jenna Sudds: Okay. Thank you for that. I'm just trying to understand where we're at so that we can continue to move this forward.

To what extent do you believe the gaps identified through your work are policy gaps versus implementation gaps?

Alexander Jeglic: That's a great question, Mr. Chair.

I think it starts with the policy gap. There's inconsistent information being provided. You have to remember that this implicates all departments and agencies, so consistency of approach is something you would want at a centralized level.

As you would see from our report, many of the sources of information are disconnected and are not all saying the same things. Based on our fragmented procurement system, you'll note that where people look to glean information that's authoritative also differs from department to department. As a result, things as basic as whether they need to consult the indigenous business directory prior to awarding a contract are not consistently understood. "Does the 33% apply to my contract, yes or no? Where do I go for that information?" Depending on your source, you might get different answers, and these present very different outcomes.

To answer your question, I think the first piece is the policy piece, but that being said, I still don't think it lets us off the hook for the implementation failings. It's not lost on me that 30 years is a clear indicator that this is not a political problem. This spans multiple governments, and PSIB continues to be talked about by consecutive governments. The issues are well understood and well known. I think, again, that it's back to making sure that the accountability is there.

Again, I'm not suggesting that our office can fix all the problems, but what we are trying to do is bring accountability into this. That's why we are going to review after six months and report publicly on progress, because you'll also see the departments' answers in our report. They have commitments in terms of timing, and some of those commitments are coming up relatively soon. There are action items for fall 2026, with implementation in early spring 2027. These time frames are quick.

To be fair to ISC, they have been working in the background for many years in trying to resolve some of these outstanding issues. I think that the transparency piece is important too, because I understand they've been subjected to a number of reviews, and I imagine they're also exhausted from just the sheer number of responses that they've had to provide to all these questions.

That being said, it doesn't excuse the fact that implementation is still not at the point where we're fixing the problems.

Hon. Jenna Sudds: Exactly on that, on the implementation piece, from your perspective, are there immediate steps—perhaps it's clearer direction, perhaps it's training—that could be implemented that would lead to better outcomes?

Alexander Jeglic: Yes, absolutely, there are. Fundamentally, the great thing about having the opportunity to be before the committee is that it brings awareness. Awareness can then also identify additional gaps that others were not aware of.

Training is certainly always part of the answer, and I will suggest that if you talk to procurement practitioners, that is something they're begging for. One of the top three issues we hear from procurement purchasers in government departments is they need additional training. As obligations change or are encountered for the first time, if the proper training is not provided and there isn't a consistent, centralized policy, it's not fair to them to say that they've somehow failed; it's that the integrity of the process has failed them.

Hon. Jenna Sudds: Thank you very much.

The Chair: Madam Gaudreau.

[*Translation*]

Marie-Hélène Gaudreau (Laurentides—Labelle, BQ): Thank you, Mr. Chair.

I must tell you that I didn't know the extent of the situation. I find something troubling. In 30 years, we've made enormous progress in the whole truth and reconciliation process. However, what we're hearing falls within the realm of a wish. It's one thing to wish for something, but when the time comes to put things into practice, we often lack solutions. We lack tangible measures when we say that we want to demonstrate responsibility and that we'll apply a truly beneficial mechanism.

Seriously, I can't believe the choices being made here. I heard my colleague talking about this just a few minutes ago. If we really wanted to move towards truth and reconciliation and if we made that choice, there would be action. Some steps have been taken, but there would be concrete measures.

I really want to thank you for all your recommendations. I have certain expectations, now that we have a government that can decide to do an about-face on all sorts of policies. I don't know whether you agree with me. We can see whether we'll take the bull by the horns and really rise to the challenge.

What are your thoughts?

• (1140)

Alexander Jeglic: It's necessary to take action. However, as I said, the foundation is solid. It's a matter of implementation. The policy must clearly establish who is responsible for what. It must formalize all aspects of the foundation, so that everyone knows where their responsibility lies and everyone knows how to remain transparent about that responsibility.

Marie-Hélène Gaudreau: I can see that, when things aren't clear, we find a good reason to explain why it hasn't been done.

So who should clarify everything?

Alexander Jeglic: That's our first recommendation. We asked Indigenous Services Canada to take responsibility for the new policy. We showed them which aspects of the foundation should be included. To ensure transparency, every six months, we'll look at which recommendations have been implemented. If no action has been taken to make a change, we'll show this. I hope that we're truly in a period of change, as you clearly described, that can force the government to make different choices now that it has more power. If it has the willingness to demonstrate the need for action, we'll see this. That said, transparency is key. If we let two or three years go by, there won't be any change. If the people responsible for taking action know that in six months another report will come out, we'll see results that we wouldn't see otherwise.

Again, I'm not saying that our office is anything miraculous. Nevertheless, we do want to establish transparency. By the way, perhaps this committee can add its voice. If you express an ongoing interest in this topic, it will further demonstrate to the people in this department that Parliament wants to know what work they're doing and what steps are being taken. It wouldn't increase the pressure. That isn't the right word. However, it would make the people in charge more accountable.

Marie-Hélène Gaudreau: Mr. Chair, I took the initiative of cutting into my next turn. I realize that I had a bit more time.

Thank you.

[*English*]

The Chair: Don't worry about it.

Go ahead, Mr. Gill.

Harb Gill (Windsor West, CPC): Thank you, Chair.

Thank you, Mr. Jeglic, for being here

I'll start by grounding on what your own report says—not what we think, but what you found.

Your opening statement was a fairly strong indictment of the current system. You described the administration of PSIB as “deeply disappointing.” I spent three decades in policing, and when systems are described this way, it's not usually one mistake: It's a pattern. It's a culture. It's oversight failing at multiple levels.

What's concerning is not just what's broken, but how long it has been allowed to stay that way, and that reflects a lack of accountability.

Were you surprised by what you found, or were you frankly alarmed by the breaches across multiple departments?

• (1145)

Alexander Jeglic: I'll start by saying that I don't traditionally include a foreword in our reports. The reason I did is that I was both surprised and negatively shocked by what we saw.

If I can tell you a little bit about our process, halfway through it we provide preliminary observations, which is like doing a vetting to ask the departments whether what we're seeing is accurate. If not, they can help us understand what we're seeing. Truthfully, the preliminary observations were certainly bad, but it was our expectation that there would be explanations and additional context provided that would help us understand some of the failings we were seeing. When we didn't get that response back after showing the preliminary observations, we started to realize that this was, in fact, what we were seeing.

That is when it became clear to us that if you identify each aspect of the report as its own singular failure, you might think it's not that big a deal. The reason we describe it as a “cascading failure” is that each point builds off the next. You can't look at an individual issue and say, for example, that documentation is not a big deal. Well, what does that documentation represent? What does the lack of contract clauses represent? What does the lack of mandatory audits represent, or the lack of a dispute resolution mechanism, or the lack of integrity around the 5%? When you look at each one individually, again, you might say that overall, it's not that big a deal. I would argue the 5% is different. I would argue the 33% is different. It's when they're taken in sum that you start to feel almost a sadness that this has happened.

Again, I'm not suggesting that our office can fix the problem. What I am suggesting, however, is that with accountability and focusing on those important foundational elements of PSIB, this is fixable. It helps the integrity of the process. It helps indigenous suppliers that you can't convince to participate in the procurement process. They will come to the procurement process if they believe in it.

It's all of our responsibility to ensure that the federal procurement process across the board is something all Canadians can believe in, and it's incredibly important. The spend associated with federal procurement is enormous. Therefore, any type of policy implementation issue is so impactful. That's the part that I can't stress enough.

Harb Gill: I couldn't agree more. It seems like a systemic and cascading failure.

Your review found that in over 75% of the files, departments couldn't explain whether a set-aside was mandatory, voluntary or conditional. That's not a grey area. That's just a basic understanding of the program. Were you surprised by that level of non-compliance? The last time you were here, we discussed the issue of the training of the staff that oversees the contract process. You indicated at that time that just about all departments are not doing an adequate job on that front, and you repeated that today.

The second question is this: Is anybody listening to you, or are they simply ignoring your advice and recommendations and doing whatever they want to do because there are no hard consequences, as my friend pointed out earlier?

Alexander Jeglic: To give the committee confidence, I do think more people are listening to our office. I interact with multiple stakeholders—with suppliers, with buyers, with parliamentarians—and I will say that the level of awareness associated with our work has significantly grown. I will say that the number of contacts with our office has significantly grown. As a result, I know that the work we're doing is impactful.

If you'll allow me to link one aspect, you'll notice in the second part of our report that I identify five foundational changes. I think those foundational changes are the baseline of what needs to change in federal procurement. Before we start building on the pyramid, the base has to be strong. I bring those five recommendations up in this report because they would help to address many of the things we saw in this report, so we have to take those recommendations seriously.

On the 75%, each one of the set-aside methodologies is different, so you're looking at different criteria. One, who is the end user? Is it going to an indigenous population? Two, is there indigenous capacity to deliver? Now you're looking at the supplier community. The third is that if you don't know if there's capacity, you create a conditional set-aside, but we saw no information identifying how to even use a conditional set-aside. It's available, but no one can effectively use it. That's because the terms and conditions don't exist, and that creates risk.

• (1150)

The Chair: Ms. Rochefort.

Pauline Rochefort (Nipissing—Timiskaming, Lib.): Hello, how are you?

Alexander Jeglic: I'm very good.

Pauline Rochefort: I noted that in your comments you mentioned that Indigenous Services Canada is currently reviewing the indigenous business directory.

I was just wondering, even though you're not doing that audit, if you could comment on why they're doing that.

Alexander Jeglic: This committee and others have pointed out concerns around potentially non-indigenous businesses being qualified under the directory. There was some concern around the integrity of the directory, and because that is the seminal tool used to validate an indigenous business as being eligible for the PSIB set-aside, it's incredibly important that this validation be accurate.

When ISC was going through and revalidating, they were finding a number of issues with some of the suppliers who were identified. I'm not suggesting that it's all fraudulent. I'm suggesting that there were a variety of reasons.

There might have been some duplication, for example. There might have been suppliers who were no longer interested in participating. There was a significant removal of entities. There may have been some who were not eligible. Those were all removed. That starts to enhance the integrity of the directory.

Consultation with indigenous communities to ensure the integrity of how indigeneity is defined is that process that we're undergoing right now with ISC. I believe that those timelines I cited before around fall 2026 and spring 2027 start to address some of the eligibility requirements as well.

Pauline Rochefort: I noted one figure I saw. In 2024, the number of businesses that were registered amounted to 2,900.

Do you have any comment on the size of the pool and what impact that might have on the actual program?

Alexander Jeglic: Again, the size of the pool is probably not where it needs to be. When you're identifying indigenous capacity, you're also using that directory to validate capacity. If that doesn't reflect indigenous capacity, it might necessarily result in a muting of the actual indigenous capacity in certain areas. That dampens the impact of the strategy. The more indigenous suppliers that make themselves available for the set-aside projects by registering on the directory means it changes the analysis. All of a sudden, now you can use voluntary set-asides because the capacity looks very different.

Again, this is where it's important for indigenous suppliers to see themselves in the federal supply chain. Part of that is making sure that we can offer a system that has integrity.

Pauline Rochefort: That's a good point.

I was going through the statement by the Canadian Council for Indigenous Business. When you put out your report, they put out an excellent response, and they said it was a good report.

They were talking about developing a comprehensive indigenous procurement policy. Some of their recommendations were to advise government to “simplify language, processes, and requirements”. There was also mention of “poor communication and rigid policies”.

If we have so much structure, does that in any way limit the ability to grow the pool and the opportunity?

Alexander Jeglic: My comment can go hand in hand with the answer, which is, if we ever lose sight of simplification.... We're losing suppliers, indigenous or otherwise, as a result of having an overly complex federal procurement system. I would challenge anyone to tell me that they describe the system as easy to navigate. It's not.

Even when we do these reviews, we're constantly challenging one another to offer our interpretation of what we're seeing. We're paid to know federal procurement, yet we still have significant differences of opinion as to how to interpret certain provisions of a policy.

Your question specifically was whether the creation of a policy in and of itself adds to the complexity. It shouldn't. The policy should be straightforward, but it needs to create accountability and responsibility.

Who does what and when is what the policy needs to set out. It has to be binding and central. Therefore, all of the departments and agencies that are subject to the strategy would then know exactly where to look for instruction, rather than having a piecemeal of rules, guidelines or websites that they're to consult in order to determine what compliance looks like.

• (1155)

Pauline Rochefort: You mentioned as well in your review of the sample you had, that some of the contracts did not specify the 33%.

Did you assess those and try to understand why that was? What were some of the reasons behind that?

Alexander Jeglic: In the report, we actually cited the difference of opinion that we had with some of the departments. That aligns with the philosophy that the 33% is only applicable if there's any identifiable subcontracting at the solicitation phase, meaning that a supplier is saying they won't necessarily be the one to deliver all of the services and that there will be additional entities doing that.

If that doesn't exist, there's the perception that the 33% requirement doesn't exist. However, we make it clear in the report that this is not our understanding and is not our interpretation of how the 33% is meant to be policed.

Because that doesn't exist by way of contract clauses in any circumstance, no one's tracking it. ISC says it's ultimately the responsibility of departments to determine compliance with the 33%, which we fundamentally agree with; however, ISC has not told departments that it's also their responsibility to monitor the 33% compliance. As a result, it shouldn't be shocking that no one is monitoring the 33% compliance.

What it does do—and this is one of the seminal tenets of the strategy and why I truthfully don't understand the interpretation—is use a design that is set up so that if you have indigenous capacity, but not necessarily at the prime level, and therefore, while you don't have the capacity to deliver on the entirety of the obligation, you can deliver a significant component—in other words, 33%—you're able to use the information that you glean as a significant contributor to a contract to grow and eventually become a prime contractor.

That's an inherent positive of the strategy, so why take that away from indigenous suppliers by not enforcing? When you don't enforce, then when there is subcontracting or there is a joint venture, there is no final determination. Did the joint venture non-indigenous partner perform 99% of the work? That testing isn't now being done.

Pauline Rochefort: As a final question, I just want to know what—

The Chair: We're about two minutes over, but if it can be really quick....

Pauline Rochefort: You mentioned that there's going to be a further review. Did you say you're going to be doing something further?

Alexander Jeglic: Normally we follow up after two years, but because of the nature of this report, it's six months.

The Chair: Thanks.

We're going to our final round.

We've been running late every time. I think we're all fine with that, because it's important to hear and it's very interesting, but because we promised to get Mr. Jeglic out in 30 minutes, we're going to keep to our times for the last round, so watch your clock, please.

Go ahead, Mrs. Block.

Kelly Block: Thank you very much, Chair.

Perhaps my questions in follow-up to my colleague Ms. Rochefort's will allow you to expand a little on her question.

In your report, you acknowledge that the decision to undertake this review was made due in part to the work being done by this committee back in the fall of 2024. Over the course of that study, we heard testimony that painted a picture of significant abuse going on in indigenous procurement.

I want to make it clear, as you have today, that what we were hearing about was not abuse by indigenous businesses but particularly by non-indigenous businesses that were getting access to that 5% set-aside. In fact, we heard from the Assembly of First Nations that a significant portion of the money being spent through the procurement strategy was going to shell companies, and we had a number of witnesses come in and confirm that. I think an example that was brought forward during that study was Dalian and Coradix. Dalian was acting as the go-between, acting as the indigenous business to win contracts, and then subcontracting all the work to Coradix, which, if I remember correctly, did not have indigenous employees doing the work. Perhaps that speaks to the integrity of the 33%.

In your review, did you find a number of instances of indigenous businesses that were subcontracting without realizing that the set-aside would be going to non-indigenous businesses to do most of the work?

• (1200)

Alexander Jeglic: I can give you somewhat of an anecdotal answer.

Of the 27 files we reviewed, seven were joint ventures, so we know definitively that in seven instances, there was a component that was 51% indigenous, and then the remainder was non-indigenous. In those situations in which there isn't that 33% requirement, there is nothing stopping those individual entities from parcelling out the work in a way that doesn't equate to 33% value to the indigenous entity.

That's why I go back to the 5%. When I was providing my explanation of the 5%, I was presuming there was integrity associated with the 33%. If the integrity of that 33% is lost, then that number drops even more. What happens if it's a 99:1 split and it's truly a flow-through? Then it's the non-indigenous prime that benefits, receiving 99% of the value. That is why, again, inherently, I think most of the work to be done is in regard to that 33% criterion. I think it's really important that we have a fundamental understanding as to why it's important to monitor that 33%. I will echo my previous comment, which is that I do think that it's the responsibility of the individual departments, because they are best positioned to do that monitoring.

However, if you don't have training, if you don't have awareness, you don't know about it, and that's something we also saw. There are seminal tenets of the policy, such as the mandatory pre-award audit. CSC, Correctional Service Canada, one of the biggest users of the set-aside, was unaware of its obligation to request that audit, which tells me that somehow awareness is not being built up in the way that it needs to be. That's where training becomes the pre-eminent tool. We owe it to all of our procurement officers to give them clarity in the rule set. That's what the first recommendation is meant to establish. Let's provide clarity for the rule set.

Then we owe it to those same purchasers to ensure that they have the training to successfully implement it. That includes the entire tool kit from A to Z, so document your decisions.

You might see instances where you're confronted with a dilemma. We have one identified in our report. It is likely an indigenous entity, but they're not actually on the IBD, so they're not on the directory. What do you do? You want to award them the contract. You believe they're indigenous, and they've told you that they're indigenous. You encourage them to register, and they do not register, but you know that they will deliver and you know in all likelihood that they are indigenous. In that circumstance, we found no documentation—

The Chair: I need you to wrap up quickly.

Alexander Jeglic: In that circumstance, we found no documentation demonstrating that decision. Had it not been for our review, I'm not sure that this issue would have been uncovered. A situation that may be well intentioned perhaps turns out to look less like something with integrity.

Kelly Block: Thank you. I'm going to make one comment to close out my time.

I just want to say that I do hope, as you have stated in this report, that this should serve as a turning point.

The Chair: Thanks.

Go ahead, Ms. Khalid.

Iqra Khalid (Mississauga—Erin Mills, Lib.): Thank you very much, Chair, and thank you to the witnesses for being here today.

I want to walk through the recommendations that you've provided and get a little bit of understanding as to the scope of them.

Recommendation 1 is that ISC and PSPC should develop a comprehensive indigenous procurement policy with indigenous partners to consolidate government-wide roles, eligibility verification, audit mechanisms and documentation standards.

How do you think that should be implemented? Who should be consulted in putting that kind of framework together? Can you please help us understand the logic behind this?

• (1205)

Alexander Jeglic: I can, absolutely.

I think one of the first things you'll see in our report is the fragmentation of the rule set. It's a central strategy, but it was allowed to remain a strategy for 30 years, without implementation tools from a policy perspective. Therefore, as I mentioned, there are a variety of different sources that one would look to in determining compliance with the strategy.

If you were looking for the strategy as a document, it's next to impossible to find a document that cites the strategy verbatim. There are multiple references to this strategy, but actually finding the strategy that identifies all of the elements is essentially very difficult. It's something that we asked for, and it was very difficult to obtain. That's the starting point.

As for who needs to be consulted, the way the recommendation is worded is specific. It's "in consultation with". That's really important, because this is not for the government to do alone. It's also respecting what's already happening. ISC is already working in the background—not even in the background, but in the forefront—on implementing this recommendation.

The recommendation just brings accountability to the process. Again, I'll cite those timelines that ISC puts forward in terms of implementation of a response to the recommendation. We are hopeful that we'll see both movement in fall 2026 and successful implementation in 2027. They are doing the requisite consultation.

On the first recommendation, I think there are steps in motion to ensure that all of the seminal tenets of the strategy are going to be captured in a respectful way in the policy. Just to echo the simplification component, it has to be done in a simple way so that everyone can glean what their responsibilities are without confusion.

Iqra Khalid: I appreciate that.

Ms. Kilrea, did you want to add something?

Kelly Kilrea (Senior Risk Advisor, Office of the Procurement Ombud): No, I think that covers it.

Iqra Khalid: I appreciate that. Thank you.

Recommendation 2 is that PSPC and Justice Canada should designate the OPO as the interim complaints body for PSIB set-aside disputes until a permanent mechanism exists. Can you walk us through the justification for that and the mechanisms that are already in existence that should be addressing the challenges that you're trying to address?

Alexander Jeglic: I'll be very quick.

In terms of not having a dispute resolution mechanism, if you're a non-indigenous business, you can come to our office and you can go to the CITT. Those recourse mechanisms are available to you.

If the procurement is set aside pursuant to the strategy, by virtue of how our respective jurisdictions were created, both the CITT and ours, we don't have jurisdiction to review PSIB set-aside contract complaints. That means indigenous suppliers cannot come to either one of us, yet both of us offer these dispute resolution mechanisms for all other suppliers.

From a fairness standpoint, a review should be offered if you're an indigenous supplier under these set-aside circumstances. We offer it on an interim basis because we already offer these same services to all other small and medium-sized suppliers or large suppliers. Why would we not offer these same services to indigenous suppliers?

I will say that in all other aspects of our mandate, we can offer services to indigenous suppliers, so there's also a logic gap: I can take a complaint on administration of indigenous contracts, yet I cannot hear complaints about the award process. There's a logical disconnect.

That's why we say it's an interim mechanism, but if the outcome is an indigenous-led authority that will ultimately review disputes, we support that as well. I have proactively tried to reach out to say that we will absolutely share all of our documentation and share how we resolve these disputes to allow that entity the benefit of not having the start-up pains of not having standard operating procedures and not having been able to think through some of the issues that will inevitably come.

Iqra Khalid: Are you worried that people are taking unfair advantage of the program?

The Chair: That's our time. Could you answer briefly?

Alexander Jeglic: I can't say yes or no—okay, it's yes.

The Chair: Maybe you can provide some examples or a more extensive response in writing.

We'll go to Madam Gaudreau, please.

[Translation]

Marie-Hélène Gaudreau: I think that the message is quite clear. Mr. Jeglic, thank you again for your specific recommendations. I understand that we need to simplify and clarify things, take action and, of course, remain accountable.

Personally, I still have hope. Otherwise, I wouldn't be here. However, I think that we've waited long enough. If we want to show progress in the whole truth and reconciliation process, we need to resolve this. I don't understand why it hasn't been done yet. I'm quite hopeful.

All this must be done in the interests of fairness and justice. I'm convinced that we have everything required to implement mechanisms to ensure that no abuse is taking place. We currently work in silos, we lose our way and we always blame someone else. So what do we do? We make ourselves feel better.

Please know that we hear your message. We read your report. The message must come through, and we expect to see concrete action.

I'll give you a few seconds to wrap up.

• (1210)

Alexander Jeglic: Thank you.

Since you're giving me time, I want to say something really important. If people aren't accountable, it creates big gaps in the process. I know that we have hopeful officers who wholeheartedly believe that adjusting this process will make a huge difference to indigenous suppliers. So it's their responsibility.

[English]

When you see a gap, if you care about this, fundamentally, you don't walk away from the gap. You step into the gap, provide a solution and deal with the consequence. You do not step away from the gap and pretend it's not your responsibility.

We saw that in this report. When you see identifiable gaps, the right answer is not to point the finger and say, "I am not responsible." The right answer is, "I take accountability and responsibility", and you fill that gap.

[Translation]

Marie-Hélène Gaudreau: Thank you, Mr. Chair.

[English]

The Chair: We'll go to Mrs. Jansen, and then we'll finish with Mr. Gasparro.

Tamara Jansen: I want to take this one step further, because we saw a version of this same issue play out on a national level in the case of Liberal MP Randy Boissonnault. He publicly spoke about indigenous heritage over a period of time, and that identity became part of his public profile. It carried influence. It shaped how he was perceived in discussions about representation and inclusion. When questions later arose about how that identity had been acquired, there was no solid evidence of anything. Again, it became a matter of he-said-she-said, and no one was held accountable.

That brings me to your report. Your findings show that, in federal procurement, we've built a system that seems to rely on self-identification but doesn't verify it. In many of the files you reviewed, there was no evidence that officials confirmed whether a business was even listed on the indigenous business directory before awarding a contract. Mandatory audits were skipped. Requirements that exist on paper were not enforced in practice.

When I put these two things together—the real-world consequences of unverified identity claims and a procurement system that, by your own findings, often doesn't verify eligibility before awarding contracts—they raise a very serious concern. If we're not doing those basic checks, then we're not just leaving a gap in the system; we're creating a system where corruption is embedded. We are creating a situation where it becomes possible for people to access opportunities that were not intended for them. In so doing, we're not only risking misuse of taxpayer dollars, but also totally undermining the credibility of a program that was meant to support indigenous businesses. We are cheating those who are participating honestly.

Your report found that not a single contract enforced the 33% indigenous content rule, and once the work started, no one checked who was doing it. I've seen first-hand how quickly things fall apart when identity is simply claimed and not verified, whether it's in my local by-election or in national controversies, such as that of Mr. Boissonnault.

Are the real problems that the government doesn't take verification seriously and that it prefers the optics of reconciliation over making sure it's honest and above board? When should you come back to update us on your report?

Alexander Jeglic: Mr. Chair, I'll answer the last question first. An obvious time would be after the six-month report is made public. Then I think it would be fair for me to come back and give you the transparency and accountability that I've been advocating for. That will give an update on how the recommendations have been implemented or if they have not.

In terms of the integrity of the process, I fundamentally agree that it's incumbent on all of us to deliver a process that has integrity for indigenous suppliers. There are, again, checks and balances that are possible but weren't leveraged. The question, then, is this: Why are known levers not leveraged over such a sustained period?

That's the beauty of bringing this to light. With people being made aware of this, the likelihood that this continues is greatly diminished. I'm not overstating the significance of our office or this committee, but I'm telling you that it's now on peoples' radars again in a different manner. In a strange way, accountability is being created today.

Continue asking those questions, demanding accountability and making sure that the difficult questions are asked. Again, I was willing to accept explanations for everything we found in the report. We were hoping for it, because you never want a system that lacks integrity. When we didn't see that, we became really concerned.

● (1215)

Tamara Jansen: After all the announcements and all the promises, did this government build a system that talks about reconciliation but doesn't even do the basic checks to protect it?

Alexander Jeglic: I don't think it's fair to pin it on a singular government, because that makes it political, and this isn't. We're talking about 30 years, and that's where fundamentally, I think, that frustration is broader than a singular government.

Tamara Jansen: Did this government not bring in your office to make changes?

Alexander Jeglic: Absolutely, I would agree that my office is provided with an oversight function over the federal procurement function.

Tamara Jansen: Right, and still we've not been able to make any headway.

I appreciate all you're doing.

The Chair: Thanks.

Ms. Khalid is next.

Iqra Khalid: Thank you, Chair.

I'll be really brief. I don't have a lot more questions for you. I think you've been very clear in your advocacy today and your position, and I really appreciate all the work that you have done.

As the member opposite was just talking about with respect to different levels of government having a totality of responsibility to make sure that we, as Canadians, are functioning effectively and making sure that all communities, including the indigenous community, are well supported, is there anything you would like to say to the federal government with respect to the work that you are doing and how we can help move that along a bit further?

Alexander Jeglic: That's a very generous offer.

Again, I think it's bringing accountability to the responses to the recommendations and ensuring that those deliverables are met in a timely fashion. Again, if we pay attention to something else and only revisit this in two years and come to learn that the progress that was anticipated wasn't made, then we're also part of that failure, right?

That's how I see our role as an office: making sure that there is accountability. Again, I'm happy to bring that accountability forward to this committee to ensure an enhanced visibility on what's happening. I think that certainly will help to promote the transparency component, and that transparency breeds additional trust. If these changes are being made in consultation with indigenous communities, then the trust is being built through the process. Again, I am hopeful too.

To echo those words, I am hopeful too that there are solutions that are very possible. Again, it's just that we need to emphasize action, because talking about what we're going to do is kind of hollow at this point.

Iqra Khalid: Thank you very much for being here today.

Those are all my questions, Chair. Thank you.

The Chair: Thanks very much.

Thank you very much for being with us today. It's wonderful to have you here, as always, clear and...I tried to say concise, but no. It was fantastic and very refreshing.

I have a couple of questions, if you don't mind.

You talked about the difficulty for a complaint process, because they're suspended between your office and CITT. Would that require a legislative change or a regulatory change to have them be able to pursue complaints?

Alexander Jeglic: It's a good question. That's the dialogue we're currently having, because we're trying to do it in the least time-consuming manner.

We're hoping that it can be done by way of tasking from the minister, to be honest. We're developing that guidance and we are sharing our views as to how quickly that could happen.

The Chair: I don't find anything that looks like it would require a legislative change, so it looks like it would be easiest, as you stated, through the minister's office.

• (1220)

Alexander Jeglic: There are components around machinery of government as well when you're offering additional services in an area that currently isn't captured by dispute resolution mechanisms, but I would say that at the outset of the PSIB, it was anticipated to have a dispute resolution mechanism, and one was never created. This is, again, a 30-year gap.

The Chair: You've expressed some optimism and the need for action. Mrs. Block brought up this fact and I was on the committee that wrote the 2018 report. I remember it well. Over half of your recommendations were part of that report eight years ago, and nothing has been done.

Do you get a sense that things have changed? Do you have any sense of optimism? Is it going to require more nagging from this committee? What do you think it's going to take to get them to actually act on this?

Alexander Jeglic: I'm glad you brought light to this committee's report in 2018, because I do cite it to demonstrate the length of time that we've been dealing with the same issues. That's really the basis on which I've announced those five foundational changes that are necessary, because if we again continually go down the same path with no change, then we're burdened with the same system that we've created ourselves. We have to have that consensus that the existing procurement system within Canada is not delivering the results as it should.

If you accept that, then you accept that foundational changes are necessary, and I think we've truly laid forward a path under which, if implemented, they start to address some of these foundational changes. Why I see optimism is that I see there being dialogue around each one of these five foundational changes. Again, dialogue, I understand, breeds potential inaction, but it has to start with dialogue, right? If I don't express optimism, then I'm undercutting myself.

The Chair: That's great. Thanks.

I have just one last question. I've mentally put you down and am booking you for six months from now.

Which department, would you say, has to be accountable and responsible? Is it ISC? That's always the biggest problem we have here at public accounts. It's always multidepartmental, and they're always happy to point fingers at each other. To whom should we say that they were tasked with this, that this is their issue?

Alexander Jeglic: On implementation, the clear answer is ISC, so asking questions about implementation is—

The Chair: Would there be any value in having a meeting between now and your report in six months with ISC and PSPC on where they are after three months, or it is best to wait until your interim report comes out?

Alexander Jeglic: I think you have to allow them time, because if you call them too soon, again, unfortunately, you're not going to hear—

The Chair: It's been 30 years.

Alexander Jeglic: Right, but—

Iqra Khalid: [*Inaudible—Editor*]

Alexander Jeglic: To be fair to the departments in this circumstance, I would suggest that you hold them accountable to what they said they would do in the report. Each department has taken a variety of accountability, but ISC is the leader.

ISC, I would say, is the party you want before the committee to speak to some of the responses to the recommendations.

The Chair: Thank you very much. Again, I appreciate the report. I appreciate your openness today and the time you've spent with us. It's been a fantastic meeting. Thanks very much.

Colleagues, unless there's something else, we are adjourned.

Thank you very much, everyone.

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