

## 15<sup>th</sup> Legislative Assembly

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#### **Administration of Sole Sourced and Negotiated Contracts**

**MR. RAMSAY:** Thank you, Mr. Speaker. In this session, I have been asking many questions surrounding how the government conducts business. First, it was how the Housing Corporation went to public tender for two housing units in the community of Behchoko, and how they had a respondent bidder, which so happened to be my constituent, but the Housing Corporation cancelled this legal public tender, only to enter into negotiations at a higher price with the only company left.

Next, I questioned, at length, the Minister of Public Works and Services, over how his department sole sourced a contract for office space in Fort Simpson, contrary to their own policy. When I asked about responsibility, it was very unclear who ultimately takes responsibility because, according to the Minister, Cabinet can delegate authority on sole sourcing. With this, it makes it so convenient and easy for Cabinet to wiggle off the hook and blame the bureaucrats.

This is just completely unacceptable to me, Mr. Speaker. I still do not know who made the decision to sole source the office space in Fort Simpson. Was it the Cabinet? Was it the Minister? Was it the Premier, or other regional authorities? Sole source and negotiated contracts make up \$60 million that this government spends each year. This is \$60 million that does not see any competitive process.

The recently released audit on the contracts with the firm Keescarp, with the former departments of Energy Mines and Petroleum Resources and RWED, demonstrate to me, Mr. Speaker, that we have some problems. The departments collectively spent over half a million dollars on contracts with Keescarp that, Mr. Speaker, clearly did not always meet the government contract regulations or the FAM directive. When the audit was done, the department had very limited documentation to prove value for money.

Poor contract administration was clearly evident in the administration of these sole-source contracts. Even if sole sourcing was required because of the fact that no one else was capable of performing the contract the first year, the ongoing nature of work definitely contradicts this view. There was no evidence to justify sole sourcing of contracts for seven consecutive years.

Given all of the issues, as of late, with negotiated contracts and sole sourcing, is it not time that we had a good, long and hard look at how we spend our money? We are the stewards of public funds, and we can't forget this fact.

Mr. Speaker, I will be asking the government today to examine government spending practices when dealing with sole source and negotiated contracts. There seems, to me, to be a very grey area there of responsibility between Ministers of the government and the bureaucracy. I remain very skeptical that this type of activity is not happening in other departments. Mr. Speaker, I will have questions for the government at the appropriate time. Thank you.

---Applause