

[Chairman: Mr. Martin]

[10 a.m.]

MR. CHAIRMAN: Good morning, everybody. I think we saw some of you people a few hours ago. First of all, Peggy wasn't able to get the minutes. She said she would have come over last night, but she is with the committee. I said it's no problem, we would look at both of them next week. So we don't have any minutes. Next week I believe we were originally going to do a report, but I have had a request. I am going to ask Mr. Moore about his request and see if we might try to get it in next week.

MR. R. MOORE: Thank you, Mr. Chairman, I have had a lot of concern expressed to me in the areas of utilities and telephones. We certainly think it would be appropriate, if at all possible, to have the minister of that department here next week. I would like to hear what members of the committee feel on having him here before us.

MR. CHAIRMAN: I have talked to Mr. Moore. It is certainly agreeable with me. Is there any discussion about that? All agreed?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Okay. The only proviso is — I will follow that up today, but of course I don't know the minister's schedule. So if it's impossible or if there is a problem with it, I will try to get ahold of you, Mr. Moore.

If we can move on to introduce our guest, Mr. Chambers. We welcome you and thank you for taking time to come before Public Accounts. Would you like to make any preliminary remarks, and introduce the people with you.

MR. CHAMBERS: Thank you, Mr. Chairman. I thought it might be useful for you and the committee to meet the senior members of my department; therefore, I have them with me today and would like to introduce them: on my left, my deputy minister, Norman Fleming; Bob Gehmlich, who is the assistant deputy minister in charge of EDP information services; next to Bob, Arnold Pepper, who is the assistant deputy minister in charge of supply, purchasing; Ray Reshke, who is the executive director of finance; on my immediate right, Gordon Hill, who is the assistant deputy minister of finance and administration; next to Gordon, Ed McLellan, assistant deputy minister in charge of property management, property; and, finally, Tony Hargreaves, assistant deputy minister in charge of capital development, construction projects.

Mr. Chairman, I couldn't really think of anything that I felt would be particularly useful or necessary in terms of lead-off remarks, but I would certainly welcome any questions.

MR. CHAIRMAN: Thank you, Mr. Chambers. Questions for Mr. Chambers.

MR. R. MOORE: Over the years, Mr. Minister, we have heard a lot of concern expressed about vacant office space that the government has and the utilization of it. Is this situation as serious as we have heard, or has it been rectified? What is the situation on vacant office space that we have under lease?

MR. CHAMBERS: Mr. Chairman, during the fiscal period under review, if anything the problem was trying to find office space. The vacancy rate in both the private sector and government was essentially nil which, as you will recall, caused significant escalation in lease prices. The government at that time was embarked on a program of trying to get our ownership versus leasing ratio back up to something — we had a target of about 50

per cent. I think that had been the case at one time, and it gradually slipped over the years, to where we are something under 30 per cent.

We developed policy. As you are aware, throughout Alberta generally, as part of the entire provincial program, if you like, we built provincial buildings in centres across the province — decentralization — and I think that worked pretty effectively. At least I found that the people I've talked to in the rural communities are generally very happy with those buildings.

In Edmonton we decided against developing another government centre, if you like, because of the limitations on space here, but rather to develop buildings located in different portions of the city, with the idea that we would assist the city's direction of their establishment of basic transit systems, LRT and so forth. We have been doing that.

Then of course with the downturn in activity, we cut back on that. We are not initiating any new buildings. As you know, we are in the process of completing a few that were started some years ago, but nothing new. We certainly have no intention of hurting the private sector in terms of their leasing capability or leasing space.

We don't have much vacancy in terms of lease space. As I recollect — Norman, what is it? About 1 per cent?

MR. FLEMING: 1.6 per cent.

MR. CHAMBERS: We have some more in terms of our own buildings. As you know, some of the buildings that we have, especially the Transportation Building, are pretty antiquated structures. If you add that, I think we have something like 10 or 15 per cent vacant space of our own. But a good part of that is in the Transportation Building, which we have to come to grips with in terms of, do we do a total retrofit or do we demolish it? It is not really habitable now.

We are certainly conscious of the importance of the leased space situation in terms of the private-sector owners, and we want to maximize the efficient use of all the space that we have, whether it be owned or leased.

MR. R. MOORE: A supplementary, Mr. Chairman. Mr. Minister, is there a policy in your department or is there any thought given to ownership versus lease? If we lease, we are supporting the private sector, playing a role there, rather than running in competition with our own buildings against the office space that the private sector has produced. Have you any policy? Do you lean towards ownership of all government buildings, or do you say that there is a role for the private sector to provide office space?

MR. CHAMBERS: Certainly the latter, Mr. Chairman. Our policy is that there is a significant role for the private sector. Again, in terms of provincial buildings in non-major metropolitan centres, I think it is more practical and convenient in most cases, and usually the wish of the community, for the province to construct the provincial building, often as a focal point, if you like, of the community. That hasn't been so here.

A significant motivator for us, in order to try to get our lease or our ownership — and this is the policy I was talking about that we developed a few years ago — back up to about 50 per cent, was to give us that balance. At that time lease rates had been escalating very dramatically, and it was becoming very expensive. I have seen rates up to \$36 a square foot because of the supply and demand situation. We thought it was healthy and probably a good policy, and I am convinced that it was at that time, to try to achieve that 50:50 ratio as a balance. As I mentioned, we have now backed off on that because it isn't necessary. The lease space will certainly be available when we need it, certainly for the next while, at a fair market value.

DR. CARTER: Mr. Minister, I wonder if you would care to comment with respect to two facilities in Calgary which were taken under the department's wings, so to speak, in that

fiscal period. First is the old courthouse in Calgary, and the second site of course is the McDougall school site.

MR. CHAMBERS: Mr. Chairman, I am not sure in what way you would like me to comment. Perhaps you could elaborate.

DR. CARTER: With respect to the old courthouse, I understood that we were hoping to carry out renovations and that those things sort of went into abeyance, for a variety of reasons. I wonder if we just have the whole site on hold at the moment, or whether there are any considerations to have the site disposed of in any manner.

MR. CHAMBERS: In terms of the courthouse, there is of course an intention to renovate that, to do a retrofit. We're currently thinking in terms of providing planning money for the coming year.

You mentioned McDougall school. I think the number in the current budget is \$3 million, which is for planning, design, and for the initiation of construction. We have commenced construction, or will be, on one of the parks. The completion of the east park will of course have to follow the construction of the underground parkade by the city. We would hope to have additional construction funds, and I expect to be recommending those to the House for further construction.

DR. CARTER: Thank you. I have some other questions for later.

MR. CHAIRMAN: You can have two more supplementaries if you want them.

DR. CARTER: Not on those topics, thank you.

MR. PAHL: Mr. Chairman, I guess I just want to make the observation that I believe this department was called at the request of the opposition members on the committee. I recognize we all have difficult schedules, and there won't appear to be any questions from the floor from the opposition, for obvious reasons. I wonder whether there was — at least for my part I'd certainly be willing to have you as chairman read a question into the record if that was to serve the purpose.

But I have to observe that it is a bit of a one-sided exercise we've been going through for a couple of meetings of this committee. When we've called a minister at the request of the opposition party, the opposition side, if you will, I'd sort of expect them to at least be represented by a question, if not by a person on the committee other than yourself, and I recognize your handicap. But if other members agree, I feel we could somehow get a question in if there was one to present.

MR. CHAIRMAN: Your point is well taken. Mr. Notley had asked for it, but today he had to go to the Urban Municipalities in Red Deer. Our question that we wanted has been asked in the Legislature since the time we asked. It had to do with the working papers. We asked for it in a motion for a return and recognized that that's as far as it was going to go. So the urgency is less, because we've tried it through other avenues. But your point is well taken.

MR. ZIP: Mr. Chairman, I'd like to ask the hon. minister the basic criteria that you follow in deciding when office space is going to be expanded. Do you go by density of employees, so many square metres per employee? I know that the American standard is 20 square metres per employee. What sorts of criteria do you follow?

MR. CHAMBERS: Mr. Chairman, we have space standards. If you want the detail on that space, I'm sure that somebody here — I think Ed — could give you those. But on a

general basis, we developed some years ago a space standard, which is used throughout government. When a client department asks for space, we sit down with them and say: okay, how many people and in what job description or category are they? Then we work out the space plan. Planning with the client department is done in every case.

MR. ZIP: A supplementary question. What is the current density in provincial buildings right now?

MR. FLEMING: The designs usually call for 19 square metres. I would not have a current density for the entire government at this time. That can be provided if you so wish.

MR. ZIP: I'd like to know, because that starts to give us an idea. Particularly when the market starts to tighten up, it's interesting to know.

MR. CHAMBERS: I will undertake to provide that written information to the committee.

MR. CHAIRMAN: If you want to give that to me, I'll make sure that it's distributed to the members of the committee. Any further questions?

MR. ZIP: I have a question relating to the parkade that's currently under construction on McDougall school site. How many parking stalls is the provincial government going to retain out of that whole?

MR. CHAMBERS: Out of the 650 total, we will have 50.

MR. ZIP: This is a question that has been raised to me by people in Calgary. Why is the provincial government retaining only 50 stalls when it would appear that they would need more than that? Looking at the Ford Tower and the Bowlen Building, I know there are provincial offices nearby.

MR. CHAMBERS: That's a good question. We always like to be fair in these situations. As I recollect, when the city had planned to have a much larger parkade — in other words, a parkade under both the west and east parks — we had arranged 100, but then the city, as you know, cut back to only the single parkade. Therefore, we felt that 50 was fair. We have an option where we can pick up 30 more and pay for them. But the 50 of course are part of the arrangement, and we don't pay for them beyond what we already have.

MR. JONSON: Mr. Chairman, I note that this department handles a great deal of what might be called trucking business. I would like to ask what the department's policy is with respect to engaging private trucking firms to carry out work for the government.

MR. CHAMBERS: You've observed trucks with the government name on, and you've probably not seen the private trucks that are hauling goods. But I wonder if I could refer that to Arnold Pepper, the assistant deputy minister. Arnold, could you cover that area?

MR. PEPPER: Basically we carry out trucking for a number of different operations: office relocations, delivery of goods from stock, and general cartage for goods between departments. At one time we had a fleet of 14 trucks, which we have subsequently reduced to eight. In the year we're talking about today, 1981-82, we were conducting about 70 per cent of our trucking through the private sector and 30 per cent in-house. That has been the trend. All office relocation, for example, is contracted to the private sector, and we perform a management function, just supervising the contractor.

So our trend has been toward privatization and about a 70/30 split in favor of the private sector.

MR. JONSON: A supplementary question, Mr. Chairman. Am I to understand that the department has contracts with certain specific companies for all hauling?

MR. PEPPER: No, Mr. Chairman. We don't have specific contracts. In the case of larger moves, we tender for these moves; we ask the various companies to come in and submit a bid, and then award the contract to the lowest bidder. In the case of smaller jobs, under \$3,000, we go on a rotational basis and, in that way, try to distribute the work as equitably as we can, recognizing that rates tend to be fairly equal among companies.

The only specific contracts we have in place are for removal of office records, where we're transporting records from government departments to the records centre. In those cases we're asking for specific security measures, secured vans and things of that kind. That is the only case where we have standing contracts in place.

MR. JONSON: One other supplementary, Mr. Chairman. In this process, is there the opportunity for firms outside of Edmonton and Calgary to get government work through your department? I'm specifically thinking of a provincial building that might be opened in Grande Prairie and require quite a bit of equipment and so on to be transported to it. Would that opportunity be given to the local firm or firms?

MR. PEPPER: Mr. Chairman, I'm not really sure how to respond to that, because I believe the majority of the work occurs in the metropolitan areas. As you know, the distribution of employees is such that that's where the major activity occurs. Where we get into the rural areas, I believe — but stand to be corrected — we attempt to access the local sources as opposed to asking some trucking firm to go to Grande Prairie, say, with empty vehicles, load up, and then come back empty. We would be paying a premium price for that, so I believe in those cases we would attempt to secure the work through the local vendors.

MR. CHAMBERS: Mr. Chairman, I think it's fair to add that we always encourage local firms to get on the list, if you like. If they have equipment in whatever area that they wish to tender on government projects, then we encourage them to try to do that.

MR. MARTIN: I'll allow a follow-up. I think it's sort of left at the discretion of the Chair, so one more.

MR. JONSON: Thank you, Mr. Chairman. If I might be allowed just a comment, the concern that I still have is that every community of any size in this province is served by one or more local trucking firms. They run a regularly scheduled route and could be handling some of this business, particularly some of the smaller commitments. In my observation, there doesn't seem to be a mechanism whereby they get that kind of business.

MR. CHAMBERS: That's a fair question. We put out a booklet or bulletin which explains to contractors how to go about entering government work. We try to distribute that widely, and I know it's available at all our provincial offices and outlets. And I would encourage every member when talking to his local business people to encourage them, if they have the desire, the equipment, and the wherewithal, if you like, to do government work, to pursue it.

MR. STROMBERG: Mr. Chairman, I would like to ask the minister his opinion on what I consider the overdesign of a number of provincial buildings that have been built

recently. An example would be the new Agricultural Building at the university grounds. It's so impressive that the first time I saw it, I took my shoes off before I dared enter. Half the building, taking you up to the height of three storeys, is open space. In my judgment, one-third of the building was designed as an open area inside the building.

Another example would be the provincial building in Red Deer, where the whole first floor is lobby. No consideration is given to any parking for anyone coming from the Red Deer region — say, from Provost through Camrose to Red Deer — to do business with government. By the time they find the building and by the time they try to find parking, they've become so fed up they've gone back home or gone to the nearest bar.

The third example would be the provincial building in Ponoka, that has trees growing inside it, darned near through the ceiling.

Has consideration been given to toning down the design? I can't help but think of the opening several years ago of the terminal at the International Airport, where a mural was unveiled by the Prime Minister. Terry Nugent was the MP for Edmonton Strathcona. In his remarks he indicated that they should have hung the painter, not the mural.

Is consideration being given to toning down some of these rather overdesigned buildings we're putting up now?

MR. CHAMBERS: Mr. Chairman, I'm pleased to have that representation, and I'm tempted to say that the next building that is built in the member's constituency will be much more modest. But seriously, I would think it fair to say that if we were constructing anything today we would, in view of the times, give very serious consideration to that representation.

I think it's also fair to say that there's been a lot of progress in building design and ecology, if you like, over the years. Energy efficiency and operating costs have become significant factors, as well as productivity associated with a desirable type of work space. Over the years, studies have been done which show that you can pay out some construction costs if you get more productivity from people because of having a good environment.

Also, some of the atrium-like spaces that you see don't really prove to be all that much more costly. For example, the building the member referred to at the university farm is a pretty cost-efficient building and was designed to be highly energy-efficient while creating a pleasing work space in which, I think, we'll get more productivity from people. So there are certainly two sides to the question.

It's an interesting dialogue or debate. For example, my deputy minister is an architect, Tony Hargreaves is an architect, Ed McLellan and I are engineers. There's always some debate between architects and engineers as to what one should try to achieve in terms of space.

Mr. Chairman, that's a good representation, and we'll bear that in mind.

MR. STROMBERG: Do I get a second question, on a different subject?

Is Public Works, Supply and Services responsible for the upkeep of provincial historic buildings?

MR. CHAMBERS: My deputy says no, unless they happen to be ones that are owned by the department.

MR. STROMBERG: In regard to the provincial buildings, we're hiring staff for the cleaning. Is there much contracting out of cleaning of these provincial buildings that comes under your responsibility?

MR. CHAMBERS: There is, and that's under Ed McLellan's group. My predecessor embarked a few years ago on a program of privatization. Please correct me if I'm out, but I think the number is something like a third. Better than 30 per cent of all cleaning

work is actually private-sector contracted. Starting last April, we instituted a policy of privatizing, where possible, the entire operation of the building, not just the janitorial and cleaning. We have three such buildings designated now, two in Edmonton and one in Calgary. The first has been tendered, and the tender award was very favorable. We're very pleased with it. We're able to do that without laying off any employees. As a result of attrition and redeployment, if you like, we've been able to achieve that. As I said, the results of the first building have been extremely favorable cost-wise, and we are looking forward to doing that, as it becomes possible, to a greater extent in the future.

MR. PAPROSKI: Mr. Chairman, to the minister or to any of the representatives from the department. On many occasions, many of my constituents have raised the issue about the utilization of Alberta products by the Alberta government. Is there a policy in place that, in essence, states that our government will purchase Alberta products over products or materials produced in either another province or another country?

MR. CHAMBERS: Mr. Chairman, Alberta has consistently maintained a policy of no provincial preferences in terms of purchasing. There is a policy under Economic Development with regard to contracting, in terms of maximizing the use of local labor and people in communities, which is of course followed by government generally. Over the years, in terms of provincial preferences, our thinking has been that it is not our desire, nor do we think it advantageous, to balkanize — for want of a better word — Canada. We think the best situation that could exist for contractors and suppliers across this great country of ours would be that we have free movement of goods and services. Generally the support from the private-sector people has been very strong in that area. Albertans, generally businessmen, would prefer open competition across the country. They don't really want to be protected. So that has been our policy.

Regrettably, certain other provinces have seen fit to institute provincial preferences, but we haven't. I think our system has worked very well for Albertans and Canadians over the years.

MR. PAPROSKI: A supplementary, Mr. Chairman. What type of involvement does your department have with respect to the purchasing done by Crown corporations? Are there guidelines established by your department that they follow?

MR. CHAMBERS: Yes there are. My department does the purchasing for government as a whole, with certain exceptions. Arnold Pepper is our expert in this area. Maybe Arnold would like to elaborate on that.

MR. PEPPER: Yes, thank you. Actually, for the most part we confine our activities to government departments. In the past we have done purchasing on behalf of some Crown boards and agencies, organizations that are under boards, such as the Ponoka hospital and organizations of that kind. But we have not done purchasing for Crown corporations, nor have we issued any sort of guidelines from the administration to other Crown boards and agencies.

MR. PAPROSKI: One final supplementary, Mr. Chairman. As an example, when a government hospital has to purchase mechanical equipment, shovels, hammers, or CAT scanners for that matter, what does your department do to check that these purchases are required, that indeed we are obtaining the best for the dollars spent, and that these purchases are not just being made due to a slick pamphlet or perhaps to an excellent salesman or a saleswoman?

MR. CHAMBERS: Mr. Chairman, maybe I will start this, and I would like Arnold to follow up. We generally make our purchasing expertise and services available to other

boards and agencies. For example, SAIT chooses to use our purchasing facility in Calgary. They are not required to but they do, because they have found that Arnold and other people were able to achieve the best possible cost performance for them in terms of acquisition. But when purchasing for the client department, obviously the client department would provide the department with a list or a description of what they wish to buy. If it is a generic item and there is competitive equipment that is suitable, there would be that sort of competition throughout the selling side of it.

Arnold, would you care to elaborate?

MR. PEPPER: Yes, thank you. In the procurement area, we feel that one of our major roles is to review specifications to ensure that they are not discriminating in any sense, that they don't favor one supplier or another. In the case of generic products, shovels, and what have you, we take a very active role in making sure that the tendering process is carried out in a defensible way and that we are buying the best product for the dollar.

When you get into highly technical equipment, hospital equipment for example, the need is determined at the user location. The doctor or the scientist determines what his requirements are. We don't have the expertise in our shop to second-guess these highly qualified people. In those cases, we only make sure that the legal terms and conditions of the contract protect the Alberta government in the procurement process. But we are not in a position to really second-guess the experts when it comes to highly sophisticated medical or technical equipment.

MRS. KOPER: Mr. Chairman, my question to the minister relates to automobiles used in the public service. I am interested in the purchase versus the lease versus private ownership of vehicles so needed. I realize that just prior to the year under discussion, there was a decision that some members of the public service would go from, I guess, remuneration for using their own vehicles in public service to a vehicle purchased. I wonder what the criteria were for this decision and if there has been an evaluation of this step.

MR. CHAMBERS: Mr. Chairman, I think it's fair to say that it is generally cheaper for governments to purchase and own vehicles than to lease them. Obviously the person in the leasing business merely has to purchase, arrange financing, and then make a profit. Also, as you know, governments are in a different tax situation with regard to private firms in terms of federal taxes, the one government not taxing another. And because of the size of our purchases, we purchase directly from the manufacturer. Even the president of a motor company might get involved in these bids. So we get very favorable prices.

I might add that we have changed the criteria on cars. We follow the cost and retail trends, and therefore try to optimize the best time to sell a vehicle. It used to be two years and 50,000 kilometres for cars, for example. We have recently revised that to three years and 75,000, because we now think that's the most economical position to have overall.

In terms of benefit for an employee to have a car or otherwise, certainly until the federal government changed that rule a couple of years back, it probably was a fair advantage. I am not so sure it's that great an advantage anymore because of the taxable benefit that an employee has to recognize with regard to his wages and income tax. Personally, from my standpoint, the main benefit for a minister to have a car isn't really monetary but is being able to find the time to get it serviced properly, when we spend the hours in here. So the service aspects of having a government car make it worth while to me. But from a monetary standpoint, it isn't all that significant.

I don't know if I've answered the member's question, Mr. Chairman, but I would be happy to follow up supplementaries.



MRS. KOPER: A supplementary. Thank you, I think you have answered the main part of the question. Will there be an evaluation of this? I was really not thinking of it at the ministerial level as much as some of the other vehicles used in the public service; for instance, bailiffs have that kind of car.

MR. CHAMBERS: Mr. Chairman, the member is after a little more detail here. Arnold, I wonder if you could supplement what I've said. For example, if it would be helpful, I'd be happy to provide, through the Chair, a list of vehicles in the public service, but I don't know that the member is really after that. Perhaps Arnold could elaborate somewhat on what I've said.

MR. PEPPER: I could try. Basically, I might mention first of all that our department is responsible for the bulk buying, the managing and operation of vehicles, and the selling of them. We don't really get into the policy question of entitlements to vehicles, so I'm not really able to comment on that with any great knowledge. However, I believe that with the exception of bailiffs and the executive vehicles to ministers and deputies, there are very few vehicles assigned to individuals on a permanent basis. The rest tend to be work vehicles assigned to a pooling arrangement. We believe that our function, in terms of managing the vehicles, is to look at how we can best access the market to buy vehicles at the most economical rate, how long we should run them, how quickly we should get rid of them, and what the best way to get rid of them is. That has been our major focus.

I believe it was about seven or eight years ago that the government made a decision to minimize the number of vehicles assigned to individuals, in favor of paying mileage. We have conducted studies within our organization to look at the average number of miles that employees are driving their vehicles and determining where the break-even point is between providing a vehicle and paying mileage, and have made some recommendations in that respect.

Unfortunately, it isn't quite as simple as simply saying: this is the break-even point, and beyond this we should provide a vehicle. There are questions of who is responsible for storage of the vehicle provided to an individual, personal use of a vehicle outside of government time, and things of that kind, that go beyond the straight economics of whether we should provide a vehicle or not. But we have very carefully looked at the break-even points and at our vehicle retention policies in terms of maximizing utilization and finding the point of least cost. We continue to do that.

[Mr. R. Moore in the Chair]

MR. McPHERSON: Mr. Minister, my question is with respect to the old courthouse in Red Deer. I notice that the Member for Calgary Egmont raised a question in relation to the old courthouse in Calgary. I hope my question is in order at this particular meeting.

I'm delighted to know — and perhaps just to refresh the minister's memory, he has advised me by personal memorandum — that there is no intention whatsoever of demolishing the old courthouse in Red Deer, and steps are being taken to have it designated as an historic site and what have you.

I guess the question now is the proponents of the facility — what user group will finally be given that facility? Could the minister provide me with any kind of indication as to what his preference would be in relation to a user group? Would it be his preference to seek proposals from various user groups and then make a determination to sell it to a user group, to lease it to a user group, or indeed to sell it to the city? Could you give me an idea of what your preference might be in that regard?

MR. CHAMBERS: Mr. Chairman, it's certainly not our intention to demolish the building. In fact, it probably has heritage value and will probably be put in that category. I understand that the building does have historical significance in the

community.

With regard to user groups, in my view that should really be a determination of the municipality. Our normal practice and preference would be to turn that building over to the municipality at nominal cost and let the municipality, who I think are best equipped to do this, decide on the use of that building: who the user group or groups should be, to what purpose it should be put. That's been our practice in the past, and I think it's a valid one. I hope the city of Red Deer would be interested in acquiring that facility.

MR. McPHERSON: A supplemental on that point. Have there been any discussions with officials of your department or yourself and the city of Red Deer with respect to their acquiring the courthouse?

MR. CHAMBERS: Of course, Mr. Chairman, the member and I have had ongoing communication with regard to this subject, but I'm not aware of any discussion with officials.

MR. FLEMING: Discussions have taken place in the department on opening up negotiations with the city of Red Deer, and I believe instructions have been given for an approach towards the end of asking the city of Red Deer to take over the administration of the building.

MR. McPHERSON: A final supplementary.

MR. VICE-CHAIRMAN: [Inaudible] to current affairs. We're basically looking at the 1981-82 expenditures of this department. If we could sort of hold it to that rather than get into current affairs, because that's the rule we've run by up to this date. We'll have lots of time to talk about this when this year comes before Public Accounts again.

So if the hon. member would hold to this area. We gave you a lot of latitude; you got two questions in. But if the third question could relate to the year in question . . .

MR. McPHERSON: I'm getting comments from my hon. colleagues behind me, saying "shame", so I'll wait for further questions.

MR. ALGER: I will be guilty of the same offence, I'm afraid. I regret that the original chairman left, because I was going to indicate to him that the Minister responsible for Native Affairs realized the poor fellow was handicapped, and up until 12:15 last night, I confess that I hadn't noticed it.

In any event, and I'm afraid this is a little current, and you gentlemen of the board have to appreciate that some of us newer members weren't here in '81 and '82, so perhaps we're not going to question you too much in that respect.

With regard to provincial buildings, I couldn't help but wonder what the criteria are for deciding where to put one, how often and how many places you really want them, and that sort of thing. In the district of Highwood, we now have a beautiful provincial building in High River, but the town of Okotoks seems to think they need one. I can't help wondering what I should tell them. I somehow don't think they do, and yet I don't want to irritate them. Is there a necessity for buildings, say, every 20 miles, with provincial people manning them, and so forth? Indeed, are you also in the liquor store building business? I'm not sure of that. If you're not, just say so.

MR. CHAMBERS: Mr. Chairman, to answer the last question first — yes, the department builds liquor stores at the request of the ALCB. They provide the money and the requests, and we act as a builder for the client, if you like.

With regard to the location of provincial buildings, we have certain guidelines we operate under. For example, a minimum of 1,000 square metres is normal, 10,000-odd

square feet. Over the years, it's been part — and, I think, a very successful part — of our decentralization policy that these buildings, where required, provide a focal point for a region, a community, an area, where of course there are provincial employees that can be, and should be, housed there to serve the public.

On the other hand, and this would apply to smaller communities, I would urge all members from those areas to bear in mind that where we are leasing space, we don't wish to injure any private person who is leasing space. That has to be given careful consideration, because it would be possible for the government to build a building and move the employees that were in that leased space. And perhaps that owner would be put in difficult circumstances, because there might not be another opportunity for him to rent. So we give that careful consideration.

Also, I think members are aware today that related to population growth or otherwise, there is not really an expansion generally of civil servants in those areas. So the growth of need, if you like, has certainly flattened out. Therefore, careful consideration is given to the construction of a provincial building anywhere. They are often combined with courthouses, and wherever we can we desire to optimize the location of such a facility, bearing in mind the lease space that's available in that community. Often they've been constructed where there wasn't available lease space, yet it was the desire of the government to offer those services to the general public through various client departments.

MR. ALGER: Mr. Chairman, if you don't mind, I'd like to inquire with regard to the construction of these buildings. Is it absolutely necessary to drive the contractor crazy with inspectors and stuff like that who seem to come down by the boatload when you're trying to put up a little liquor store? They almost overdo it; in fact, hold up construction a great many times, particularly with contractors that I'm aware of in my constituency.

MR. CHAMBERS: The first criterion, of course, is that public funds are always used in the constructions of these, so I think it's incumbent upon us to ensure that the public gets full value for the dollar. If a member is aware of or thinks that there are too many inspectors, I'd be happy to receive any such representation. However, I would point out that depending on the disputes which may arise between a general contractor and subcontractors, and the deficiencies that might have arisen related to the quality of the construction, then it may be necessary to have more or less inspections done on that particular job.

I don't know if I've satisfied the member's answer, but I'd be happy at any time to receive any individual representations.

MR. ALGER: Fairly closely, Mr. Minister, and I appreciate it. The other thing is that I want to inform you, Mr. Chairman, that the government is not necessarily the easiest client in the world to work for. Indeed in many cases money is held up on these contractors for an awfully long time. It reminds me of my oil-well days when I had to wait on some clients for 120 days. I understand that this is happening to the contractor from government coffers, and I can't believe that that should take place. Some of them get in pretty dire straits in a four-month period after the job's completed.

MR. CHAMBERS: In any specific situation I'd be happy to hear individual representation, and I know my colleagues here would as well. I would also like to point out that our payment generally, the last I've seen, is about 32 days turnaround on payments, which is pretty good. I would suggest that some private companies don't achieve payment on an average of 32 days. However, on any given job the protection of the public purse is paramount.

There's a criticism that can arise from the other side should we pay out quickly to the general, and then the subcontractor doesn't get paid and he wants to be paid. So

there has to be that whole equity control position taken on a job. But we do try, and it's a serious effort the department makes, to pay as quickly as we can, recognizing the importance of cash flow to our contractors and suppliers.

MR. ALGER: Mr. Chairman, I appreciate the equity control bit. I think that is one of the first and foremost things you do, because there again in other departments I've got subcontractors hurting like the dickens because the main contractor was paid and they didn't get their money either. I think I'll stop there. I was going to bring up the cars, but I won't bother.

MR. CHAIRMAN: Thank you. You've run out of your supplementaries Mr. Alger.

DR. CARTER: Mr. Chairman, first I'd like to say a word of thank you to the minister and his department with regard to two aspects. Number one, as chairman of the Social Care Facilities Review Committee for the province, committee members and I have been into a tremendous number of facilities throughout the province. I know that your department, Mr. Minister, is not responsible for all one thousand that we do visit. But you are responsible for the maintenance with respect to facilities such as Michener, [Alberta] Hospital, Ponoka, and [Alberta] Hospital, Oliver. Especially during the summer, the grounds keeping is absolutely first class, especially with respect to places such as Michener, Ponoka, and Oliver, and that has a very good, positive effect with respect to the residents there and also the people that visit the facilities.

I'd also like to say thank you with respect to your department that is involved in a current move of office space on Social Care Facilities Review Committee. I was being taken through a real runaround with respect to the Department of Social Services and Community Health, trying to enact current guidelines for office space and so forth. I must admit that I finally reached the last in terms of my frustration with them. But the problem was immediately solved by people from your department, so I would like to have a thank-you go back, because I know that all too often you seldom get a thanks.

Has consideration been given to the costing factors of the maintenance such as Michener, Ponoka, and Oliver, as to whether or not the department has moved to do any contracting-out or perhaps even to come completely out of the maintenance of those facilities?

MR. CHAMBERS: Mr. Chairman, I should point out that Oliver and Ponoka are now operated by boards, and we no longer have any association with those facilities; Michener, however, we do. Ed, would you care to comment with regard to the point on Michener.

MR. McLELLAN: At Michener I think our people are doing a fairly good job. However, as we move along into the area of privatization, certainly we will be looking at various areas where the private sector can be doing some of the work that the government staff is presently doing.

DR. CARTER: Through you, Mr. Chairman, to the minister. What was the date of the effective transfer of the department's involvement with respect to the hospitals at Ponoka and Oliver? When did they go privatization of the grounds keeping and the maintenance, for example?

MR. CHAMBERS: October 1, 1982, was the transfer date to the board. In terms of privatization prior to that, Ed, are you aware of it?

MR. McLELLAN: No.

MR. CHAMBERS: Because that's over a year ago, we no longer have any information with regard to how they are, in effect, operating their maintenance and grounds.

DR. CARTER: My final question, Mr. Chairman, is with respect to how the Legislature Grounds have been enhanced — a tremendous change and for the better. With respect to the fiscal year that we are referring to, have all the contracts that have been issued with respect to that been paid out?

The second question with regard to that is, was adequate provision put in place for the projected budget periods with respect to the maintenance of the grounds? The matter of including so many small shrubs rather than going to more lawn obviously has to up the cost of maintenance of that very attractive site.

MR. CHAMBERS: Mr. Chairman, I appreciate the comments on the grounds. I think most of the comments we're getting from the general public are also very favorable. There are probably some situations in various subcontracts where there is some holdback at this point until final settlement.

I would point out that the landscaping was part of the entire contract to this point in time. Gradually, over the years, I would expect that transition could occur in terms of what's desired for grass and perhaps for different ornamentals that may enhance the beauty of the entire park area for the benefit of the public.

[Mr. Martin in the Chair]

MR. ALGER: Mr. Chairman, I'd like to get back onto Janet Koper's request with regard to the automobiles. It seems to me that most companies can indeed go to the manufacturer if they want to buy cars a little more reasonably priced. But do we not leave the local dealerships kind of out in the cold, for one thing? And do we not sort of injure ourselves, for another thing, in view of the fact that we don't have a place to take the car back to and say, fix this or fix that, it's all on warranty, and so forth?

In my estimation, I should think the government in particular — and I know big companies do this — should share the load of Fords, Chevys, Pontiacs, Buicks, and so forth, among the local dealers, wherever possible, just to retain their business, if you like. Consequently I can't help but think that we should be doing the same thing for the protection of our dealers, for one thing. They would enjoy the enormous amount of business that we could undoubtedly give them, and not for a heck of a lot more than you would pay at the manufacturer level if you made the right deal.

MR. CHAMBERS: Mr. Chairman, that's a good question. The fact does relate back, though, to the volume purchases that we do make. We gain very favorable prices by dealing directly with manufacturers. Because of the volume, the manufacturers are pleased to get the business. We don't select between manufacturers. They go to the lowest bidder. The local dealers, however, are very happy to participate in this through the service. It's a significant service aspect, and we've never had any problem that I'm aware of in that area. In fact I think the dealers are only too happy to get the follow-up warranty work, which is assigned by the manufacturer to various dealers across the province.

MR. R. MOORE: Mr. Chairman, just so that the members will know, in your absence Mr. Blain brought the message that Mr. Bogle was not available for next week. Some government members had indicated their desire to have the Minister of Culture come. I was wondering what their decision would be on that now that we know that Mr. Bogle is not available.

MR. CHAIRMAN: Any discussion?

MR. PAHL: Mr. Chairman, the only point I might make is that I realize we should come to some conclusion with respect to the committee's deliberations. I hope that we could finish with the ministers before we do the concluding, so that would affect our scheduling somewhat.

MR. CHAIRMAN: We'll finish here, and if there are any other questions, then come back.

MR. R. MOORE: I just want to raise a point of information on this. Supposing those ministers aren't available next week, do we just not hold a meeting next week?

MR. CHAIRMAN: I suggest that we finish with the people here, and then we'll come back. There's no use wasting their time on it. Are there any other questions to the minister? Seeing none, Mr. Chambers, I would like to thank you and the people from your department very much. We know it's a busy schedule, and we do appreciate your taking the time to come and speak to us at Public Accounts. Thank you very much.

If we can just follow up on the business Mr. Moore raised. He is suggesting — it's a government choice now — because Mr. Bogle is not able to make it next Wednesday that we try for the Minister of Culture. The question Mr. Pahl had is, what if the Minister of Culture can't make it? I think we're all, to put it bluntly, wondering when the session is going to end. Without sharing any secrets, it may or may not. We don't know for sure at this point. I need some direction from you people for next Wednesday.

The first question I would ask: if session happens to be finished — rather than my having to write letters — then the tradition has been we don't pursue Public Accounts. I take it that's what we would still do. If we're in session then, the first choice, as I read from the government members, is the Minister of Culture. Would there be a second choice that I could follow up? Native Affairs?

MR. SZWENDER: Mr. Chairman, I recommend the Department of Transportation.

MR. CHAIRMAN: Unless I see disagreement, I'll try for the Minister of Culture first, then the Minister of Transportation. If I can't get either one of them, we'll start to panic at that point. Would that be fair then? Is that agreed with everybody?

MR. PAHL: My point was that we should decide when we're finished, or end our list of ministers. I would submit that we have three that we would like to have. We either make a decision not to call them or we not meet on other matters until we have called all ministers, because our conclusions will depend on them. So I guess the conclusion there is that if we don't get one of those two ministers, I suggest we not hold a meeting next week and wait till the week following.

MR. CHAIRMAN: Okay, I'm easy on that. The suggestion then, so we're all clear, is that if the session is on, I try first of all for the Minister of Culture. If I'm not able to get the Minister of Culture, I'll try for the Minister of Transportation. If I'm not able to get the Minister of Transportation, then we just cancel it for next week. Are all people agreed on that? Any other matters to be brought up?

As soon as possible I will get hold of Mr. Moore. As soon as I know, we'll get the letters out to you as quickly as we can.

I guess the next step is adjournment. It is so moved. All agreed?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Okay, we'll see you — maybe — next week.

[The meeting adjourned at 11:08 a.m.]