



# Public Works and Government Services Canada



For the  
period ending  
March 31, 1997



Improved Reporting to Parliament  
Pilot Document

Canada

©Minister of Public Works and Government Services Canada – 1997

Available in Canada through your local bookseller or by

mail from Canadian Government Publishing – PWGSC

Ottawa, Canada K1A 0S9

Catalogue No. BT31-4/68-1997

ISBN 0-660-60354-3



## Foreword

On April 24, 1997, the House of Commons passed a motion dividing what was known as the *Part III of the Estimates* document for each department or agency into two documents, a *Report on Plans and Priorities* and a *Departmental Performance Report*. It also required 78 departments and agencies to table these reports on a pilot basis.

This decision grew out of work by Treasury Board Secretariat and 16 pilot departments to fulfil the government's commitments to improve the expenditure management information provided to Parliament and to modernize the preparation of this information. These undertakings, aimed at sharpening the focus on results and increasing the transparency of information provided to Parliament, are part of a broader initiative known as "Getting Government Right".

This *Departmental Performance Report* responds to the government's commitments and reflects the goals set by Parliament to improve accountability for results. It covers the period ending March 31, 1997 and reports performance against the plans presented in the department's *Part III of the Main Estimates* for 1996-97.

Accounting and managing for results will involve sustained work across government. Fulfilling the various requirements of results-based management – specifying expected program outcomes, developing meaningful indicators to demonstrate performance, perfecting the capacity to generate information and report on achievements – is a building block process. Government programs operate in continually changing environments. With the increase in partnering, third party delivery of services and other alliances, challenges of attribution in reporting results will have to be addressed. The performance reports and their preparation must be monitored to make sure that they remain credible and useful.

This report represents one more step in this continuing process. The government intends to refine and develop both managing for results and the reporting of the results. The refinement will come from the experience acquired over the next few years and as users make their information needs more precisely known. For example, the capacity to report results against costs is limited at this time; but doing this remains a goal.

This report is accessible electronically from the Treasury Board Secretariat Internet site:  
<http://www.tbs-sct.gc.ca/tb/key.html>

Comments or questions can be directed to the TBS Internet site or to:

Government Review and Quality Services  
Treasury Board Secretariat  
L'Esplanade Laurier  
Ottawa, Ontario, Canada  
K1A 0R5  
Tel: (613) 957-7042  
Fax (613) 957-7044

# **Public Works and Government Services Canada**

## **Performance Report**

**For the  
period ending  
March 31, 1997**

---

Minister of Public Works and  
Government Services Canada

## **Table of Contents**

Section I: The Minister's Message .....	1
Section II: Departmental Overview .....	3
Mandate, Roles, and Responsibilities .....	3
PWGSC's Goal .....	3
Priorities and Directions .....	3
PWGSC Program Objectives .....	4
PWGSC Program Structure .....	5
Section III: Departmental Performance .....	7
A. Performance Expectations .....	7
B. Performance Accomplishments .....	16
Departmental Performance .....	16
Business Line Performance .....	17
Real Property Services Business Line .....	17
Supply Operations Service Business Line .....	20
Government Operational Service Business Line .....	23
Government Telecommunications and Informatics Services Business Line .....	25
Canada Communication Group Business Line .....	28
Consulting and Audit Canada Business Line .....	29
Translation Bureau Business Line .....	30
Corporate Management Business Line .....	31
C. Key Reviews .....	33
Section IV: Supplementary Information .....	35
A. Financial Summary Tables .....	35
B. Legislation Administered by the Department .....	55
C. Contact for Further Information .....	55

## **List of Figures**

Figure 1	Relationship between 1996-97 Operational Plan Framework and Business Line Structure .....	6
Figure 2	Resource Requirements by Organization and Business Line Comparison of Total Planned Spending to Actual Expenditures, 1996-97 by Organization and Business Line .....	9
Figure 3	Planned versus Actual Spending Comparison of Total Planned Spending to Actual Expenditures in 1996-97 .....	10
Figure 4	Departmental Planned versus Actual Spending by Business Line .....	14
Figure 5	Receiver General Payments .....	24
Figure 6	Government Message Handling Service .....	27
Figure 7	Number of Visits to Canada Site .....	28
Figure 8	PWGSC Full Time Equivalent .....	32
Figure 9	Financial Requirements by Authority .....	35
Figure 10	Revenues to Consolidated Revenue Fund by Program .....	37
Figure 11	Revenues to the Votes and Revolving Funds by Business Line and Major Products .....	38
Figure 12	Capital Expenditures by Business Line .....	40
Figure 13	Capital Project Expenditures by Business Line .....	41
Figure 14	Transfer Payments by Business Line .....	44
Figure 15	Loans and Investments by Program .....	45
Figure 16	Real Property Services Revolving Fund .....	46
Figure 17	Real Property Disposition Revolving Fund .....	47
Figure 18	Optional Services Revolving Fund .....	48
Figure 19	Government Telecommunications and Informatics Services Revolving Fund .....	49
Figure 20	Canada Communication Group Revolving Fund .....	50
Figure 21	Consulting and Audit Canada Revolving Fund .....	51
Figure 22	Translation Bureau Revolving Fund .....	52
Figure 23	Defence Production Revolving Fund .....	53
Figure 24	Contingent Liabilities and Contingent Gains .....	54

## **SECTION I: THE MINISTER'S MESSAGE**

---

Public Works and Government Services Canada plays a central role in government and in the lives of all Canadians. I am, therefore, pleased to present the Department's first Performance Report to Canadians.

The Department supports the day-to-day operations of more than 100 departments and agencies across government. It provides offices for 160,000 public servants and Parliamentarians working for Canadians in more than 2,500 locations. It manages the government's telecommunications services and infrastructure, essential for the public to access government programs, services and opportunities. As the country's largest purchasing agent, it manages some 75,000 contract actions, buying goods and services from businesses and individuals valued at \$8.2 billion annually.

PWGSC also works for Canadians in more direct ways. It makes over 190 million payments a year to businesses and individuals in every walk of life. It works to protect our heritage and build for the future through its oversight of major construction projects like the restoration of Parliament Hill and the building of the Confederation Bridge, projects which create thousands of jobs. It establishes the performance standards, policies and practices that ensure we get the best value and quality for tax dollars spent on goods and services. It works to preserve, protect and conserve the environment for present and future generations of Canadians through its sustainable development and "greening" government initiatives.

In serving government and serving Canadians in 1996-97, the Department met or surpassed all of its major commitments.

The Department had to undertake one of the

largest staff reductions in government during this period. This downsizing was managed with particular sensitivity to the needs of staff, using redeployment assistance, training, individual career counselling, the Early Departure Incentive and Early Retirement Incentive Programs and other means, to provide people with the best possible support in their transition. It also put in place a program of staff renewal that will build on the department's reputation for quality second to none, and sustain its business strategy and plans for the future.

Overall, PWGSC has exceeded its cost reduction targets. In the accommodation area alone, it reduced costs by more than \$70 million a year. Direct Deposit payments exceeded 100 million, or 53 percent of all government payment transactions. With savings of 50 cents on each and every transaction, the government is now saving more than \$50 million annually from this program.

The Department continued to effectively and efficiently manage the delivery of core services and maintain critical centres of expertise for government, while exploiting alternative forms of delivery for services wherever appropriate. It successfully completed the privatization of the printing and warehousing services of the Canada Communication Group, and provided monitoring, evaluation and oversight for the government in the historic Confederation Bridge project.

The Department began work with provincial and territorial governments to develop a new single window electronic tendering service based on Internet technology to replace the existing Open Bidding Service. When launched, this new system will improve access to opportunities while reducing costs for businesses. In support of small business,

the Department held more than 450 seminars across Canada on “Doing Business with the Federal Government”, including a number designed specifically for aboriginal businesses. The Department also developed and implemented a series of policies aimed at ensuring that taxpayers get the best value for their tax dollars and that businesses are treated in a fair, open and equitable manner.

To support greater access by Canadians to government services, information and opportunities, PWGSC made cost-efficient use of the new information highway technologies. The Department took advantage of the new competitive marketplace in long-distance telecommunications, resulting from the recent CRTC decision to deregulate this industry, by establishing a new supply arrangement for government departments and agencies that has achieved savings of up to 40 percent. It also launched the Government Electronic Directory Service and continued its support

of the Government of Canada Internet Site and its Enquiries Canada Services. This listing of contributions touches only the surface of the Department’s performance record for 1996-97. As details set out later in this report conclusively demonstrate, PWGSC works well for Government and for all Canadians.

There are significant challenges still ahead for the Department to meet government priorities and respond to a continually changing business environment. I am confident, however, that the Department’s tradition and reputation for achieving its objectives, its commitment to a forward looking, business-like approach, and the unswerving dedication and commitment of its staff to quality service, to efficiency, and to integrity will continue to serve the Government of Canada and all Canadians well.



## SECTION II: DEPARTMENTAL OVERVIEW

---

### MANDATE, ROLES, AND RESPONSIBILITIES

PWGSC was created in 1993, through the amalgamation of Public Works Canada, Supply and Services Canada, the Government Telecommunications Agency and the Translation Bureau. The new department created a focal point for common services in government. The Department of Public Works and Government Services Act, passed in July 1996, provided the legal framework for the new department.

PWGSC provides the departments, boards and agencies of the federal government with services in support of their programs. These services meet a recognized common need across government to further public policy objectives. In addition to providing common services, the Department investigates and develops services that will increase the efficiency and economy of the public service and strengthen the integrity and improve the efficiency of government contracting.

PWGSC also procures goods and services for federal departments and agencies. It builds and supports the government's telecommunications infrastructure—from telephones to the government's presence on the Internet. It provides the office space for public servants and Parliamentarians, manages Crown-owned and leased assets across Canada and manages and disposes of certain Crown properties and other assets. PWGSC manages the Receiver General functions and produces the Public Accounts. It makes payments each year to Canadians in every walk of life on behalf of the Government of Canada. Finally, it provides a range of translation, consulting and audit, and other optional services to federal organizations.

### PWGSC's GOAL

Our strategic goal is to provide the best value for taxpayers' dollars spent on common services, with due regard for the important government values of prudence, probity and transparency. By focussing on what the department does best—providing cost-effective services to government—PWGSC helps other departments focus on what they do best.

### PRIORITIES AND DIRECTIONS

PWGSC continues to work to realize its strategic goal and to demonstrate leadership in providing client-directed services to government. This involves giving priority to delivering core services—those services that demand the knowledge and expertise in particular areas such as information technology procurement and managing real property.

The Department's focus has also been on getting the work done: by emphasizing the use of the private sector wherever capacity exists and cost effectiveness can be shown; by acting as a manager and agent for out-sourced services; and by adapting delivery mechanisms to better serve client and government needs.

PWGSC set out the following priorities for the 1996-97 fiscal year:

**The Department will enhance its contribution to government** by: emphasizing core roles and reviewing these roles continuously; working with the private sector, other departments and levels of government to maximize the potential contribution of each sector to the taxpayer's interest; using our expertise in administrative services to support government policy initiatives; and

promoting unifying national interests in the pursuit of our mandate.

**The Department will improve its services** by: promoting and measuring quality in all services; using service standards so clients know what they can expect in the provision of services; packaging services to suit individual clients; using management and client advisory boards to optimize services and the balance between government and departmental interests; creating partnerships with the new Alternative Service Delivery (ASD) agencies; and consulting clients regularly to measure their satisfaction with PWGSC services.

**The Department will achieve savings and pursue efficiency in all its operations** by: continually assessing services for opportunities to reduce costs through such means as contracting with the private sector or applying improved technologies and management techniques; ensuring that Program Review commitments have been met, including requirements for downsizing and program changes; and establishing new commitments to adjust to downsizing and change in government.

**The Department will take significant steps to build a work force that is more flexible and responsive to the renewal needs of the Department** by: implementing an integrated human resources strategy that focuses on employment continuity, selective skills acquisition and development; streamlining organizational structures; and developing a more supportive management culture.

## **PWGSC PROGRAM OBJECTIVES**

As noted, PWGSC Business Lines were organized under three programs:

- The objective of the Real Property Services Program is to manage a diverse portfolio of general and common-use real property and other assets in order to provide accommodation and related services to federal tenants, clients and other assets users, to optimize the federal investment in the assets and to provide common services in the real estate and architectural and engineering fields to clients at market-based rates.
- The objective of the Supply and Services Program is to contribute to the achievement of value for money, the preservation of fairness and integrity in government administration and the support of government objectives by delivering and facilitating a wide range of valued essential services in the area of supply, human resources, finance, translation, government telecommunications and informatics and other central government services.
- The Crown Corporations Program has two activities in 1996-97 - the Old Port of Montreal Corporation Inc. and Queens Quay West Land Corporation. The Old Port of Montreal Inc. is responsible for planning and promoting the development of the Old Port of Montreal, as well as for administering, managing and maintaining the Crown's real property at the site of the Old Port of Montreal, which is in the custody of the Minister of Public Works and Government Services Canada. Queens Quay West Land Corporation is responsible for managing the Harbourfront precinct in Toronto. The Corporation received Treasury Board direction to dissolve itself and transfer its assets and liabilities to the Canada

Lands Company Limited.

### **PWGSC PROGRAM STRUCTURE**

This Performance Report has been prepared following PWGSC's transitional Business Line Structure which organizes the departmental operations into three programs and eight Business Lines. However, in 1996-

97, the Department was still operated under the Operational Plan Framework which reported financial results into activities and sub-activities within the three programs. Figure 1 provides the relationship between the Business Line Structure and the Operational Plan Framework.

**Figure 1 - Relationship between 1996-97 Operational Plan Framework and Business Line Structure**

	Operational Plan Framework	Business Line Structure (transitional)
<b>Program</b>	<ul style="list-style-type: none"> <li>● Activity</li> <li>    Sub-Activity</li> </ul>	<ul style="list-style-type: none"> <li>■ Business Line</li> <li>    Service Line</li> </ul>
<b>Real Property Services</b>	<ul style="list-style-type: none"> <li>● Federal Accommodation</li> <li>● Federal Holdings</li> <li>● Program Co-ordination</li> <li>● Services</li> </ul>	<ul style="list-style-type: none"> <li>■ Real Property Services</li> <li>    Federal Accommodation</li> <li>    Federal Holdings</li> <li>    Program Co-ordination</li> <li>    Services</li> </ul>
<b>Supply and Services</b>	<ul style="list-style-type: none"> <li>● Central Government and Common Services</li> <li>    Receiver General Services</li> <li>    Public Service Compensation</li> <li>    Other Central Government Services</li> </ul>	<ul style="list-style-type: none"> <li>■ Government Operational Service</li> <li>    Receiver General Services</li> <li>    Public Service Compensation</li> <li>    Other Central Government Services</li> </ul>
	<ul style="list-style-type: none"> <li>● Supply</li> <li>    Public Relations and Print Contract Services</li> <li>    Crown Assets Distribution</li> </ul>	<ul style="list-style-type: none"> <li>■ Supply Operations Service</li> <li>    Supply</li> <li>    Public Relations and Print Contract Services</li> <li>    Crown Assets Distribution</li> <li>    Other Central Government Services</li> </ul>
	<ul style="list-style-type: none"> <li>● Government Telecommunications and Informatics Service</li> </ul>	<ul style="list-style-type: none"> <li>■ Government Telecommunications and Informatics Services</li> </ul>
	<ul style="list-style-type: none"> <li>● Special Operating Agencies</li> <li>    Canada Communication Group</li> <li>    Consulting and Audit Canada</li> <li>    Translation Bureau</li> </ul>	<ul style="list-style-type: none"> <li>■ Canada Communication Group</li> <li>■ Consulting and Audit Canada</li> <li>■ Translation Bureau</li> </ul>
	<ul style="list-style-type: none"> <li>● Corporate Management</li> <li>    Executive and Corporate Services</li> <li>    Human Resources</li> <li>    Regional Support</li> </ul>	<ul style="list-style-type: none"> <li>■ Corporate Management</li> </ul>
<b>Crown Corporations</b>	<ul style="list-style-type: none"> <li>● Old Port of Montreal Corporation Inc.</li> <li>● Queens Quay West Land Corporation</li> </ul>	<ul style="list-style-type: none"> <li>■ Crown Corporations</li> <li>    Old Port of Montreal Corporation Inc.</li> <li>    Queens Quay West Land Corporation</li> </ul>

## SECTION III: DEPARTMENTAL PERFORMANCE

### A. PERFORMANCE EXPECTATIONS

PWGSC's performance expectations can be summarized in the Department's commitment to the achievement of best value for the taxpayers' dollars in common services. This involved being a leader in client-driven services and in concentrating energy on services that provide value. Along the way, PWGSC has used the private sector where capacity exists and where increased cost effectiveness can be shown. This ongoing commitment has also contributed to, in some instances, terminating services if resources are no longer available or if greater choice has meant it is no longer economic to provide them on a common basis.

For example, during 1995-96, PWGSC closed the Stocked Item Supply service which supplied commercial products to federal departments and agencies. In 1996-97, PWGSC privatized the printing, warehousing and distribution functions of the Canada Communication Group further demonstrating this commitment to taxpayers. The following excerpt from the 1996 Report to Parliament by the President of the Treasury Board again summarizes PWGSC's commitment and performance expectations for 1996-97.

Commitment:	As demonstrated by:
<p>Providing best possible value for money services to other government departments, ensuring client satisfaction and preserving the principles of fairness and integrity in government administration</p>	<ul style="list-style-type: none"> <li data-bbox="716 1045 1367 1247">❑ Cost effective service offerings in eight Business Lines: Real Property, Supply Operations Service, Government Operational Service, Telecommunications and Informatics, Printing and Publishing, Consulting and Audit, Translation and Corporate Management</li> <li data-bbox="716 1289 1367 1352">❑ Cost reductions and downsizing target of 3,500 FTEs through the federal Program Review initiative</li> <li data-bbox="716 1394 1367 1499">❑ Develop options for alternative service delivery, including accommodation services and specialized procurements</li> <li data-bbox="716 1541 1367 1604">❑ Privatizing the printing and warehousing functions of the Canada Communication Group</li> <li data-bbox="716 1646 1367 1730">❑ Quality improvement and human resource renewal strategies that ensure core competencies and to meet future requirements</li> </ul>

**RESOURCE REQUIREMENTS BY ORGANIZATION AND BUSINESS LINE****FIGURE 2: COMPARISON OF TOTAL PLANNED SPENDING TO ACTUAL EXPENDITURES, 1996-97 BY ORGANIZATION AND BUSINESS LINE**

(millions of dollars)										
BRANCH	BUSINESS LINE									
	Real Property Services	Supply Operations Service	Government Operational Service	Gov. Telecom & Informatics Services	Canada Communication Group	Consulting And Audit Canada	Translation Bureau	Corporate Management	Crown Corporations	TOTALS
Real Property Services	1,577.8							18.8		1,596.6
	<i>1,561.9</i>							<i>19.6</i>		<i>1,581.5</i>
Supply Operations Service		95.6						0.7		96.3
		<i>104.0</i>						<i>0.5</i>		<i>104.5</i>
Government Operational Service			148.7					26.7		175.4
			<i>151.2</i>					<i>35.8</i>		<i>187.0</i>
Government Telecommunication and Informatics Services				107.4				3.6		111.0
				<i>136.0</i>				<i>3.3</i>		<i>139.3</i>
Canada Communication Group					9.1					9.1
					<i>32.1</i>					<i>32.1</i>
Consulting and Audit Canada (1)						(0.7)		2.1	9.5	10.8
						<i>(0.2)</i>		<i>2.2</i>	<i>10.5</i>	<i>12.5</i>
Translation Bureau							41.4			41.4
							<i>45.4</i>			<i>45.4</i>
Office of the Minister and Deputy Minister								1.2		1.2
								<i>0.3</i>		<i>0.3</i>
Human Resources								9.9		9.9
								<i>11.5</i>		<i>11.5</i>
Audit and Review								3.1		3.1
								<i>3.0</i>		<i>3.0</i>
Communications								2.6		2.6
								<i>3.3</i>		<i>3.3</i>
Legal Services								1.0		1.0
								<i>1.2</i>		<i>1.2</i>
<b>TOTALS</b>	1,577.8	95.6	148.7	107.4	9.1	(0.7)	41.4	69.6	9.5	2,058.4
	<i>1,561.9</i>	<i>104.0</i>	<i>151.2</i>	<i>136.0</i>	<i>32.1</i>	<i>(0.2)</i>	<i>45.4</i>	<i>80.8</i>	<i>10.5</i>	<i>2,121.6</i>
<b>% of TOTAL</b>	76.7%	4.6%	7.2%	5.2%	0.4%	--	2.0%	3.4%	0.5%	100.0%
	<i>73.6%</i>	<i>4.9%</i>	<i>7.1%</i>	<i>6.4%</i>	<i>1.5%</i>	<i>--</i>	<i>2.1%</i>	<i>3.8%</i>	<i>0.5%</i>	<i>100.0%</i>

Totals may not add up due to rounding

Shaded numbers denote actual expenditures/revenues in 1996-97

**Note:**

1. CAC is also responsible for special projects (Corporate Implementation) and Crown Corporations Program

## PLANNED VERSUS ACTUAL SPENDING

FIGURE 3: COMPARISON OF TOTAL PLANNED SPENDING TO ACTUAL EXPENDITURES IN 1996-97, BY BUSINESS LINE

(millions of dollars)	FTE	Operating (1)	Capital	Voted Grants and Contribution	Sub-total Gross Voted Expenditures	Statutory Grants and Contribution	Total Gross Expenditures	Less: Revenues Credited to Votes or Revolving Funds	Total Net Expenditures
<b><u>PROGRAM</u></b>									
<b><u>Business Line</u></b>									
Activity/Sub-Activity									
<b><u>REAL PROPERTY SERVICES</u></b>									
<b>Real Property Services</b>									
Federal Accommodation		1,040.9	241.7	--	1,282.6	--	1,282.6	239.3	1,043.3
		<i>1,031.5</i>	<i>256.8</i>	--	<i>1,288.2</i>	--	<i>1,288.2</i>	<i>267.4</i>	<i>1,020.8</i>
Federal Holdings		71.5	37.0	--	108.4	425.6	534.0	24.8	509.2
		<i>67.8</i>	<i>33.2</i>	<i>20.0</i>	<i>121.1</i>	<i>401.5</i>	<i>522.6</i>	<i>17.9</i>	<i>504.7</i>
Program Coordination		43.6	--	--	43.6	--	43.6	1.1	42.5
		<i>51.2</i>	--	--	<i>51.2</i>	--	<i>51.2</i>	<i>1.8</i>	<i>49.4</i>
Services									
- Real Property Services Revolving Fund		2,506.3	--	--	2,506.3	--	2,506.3	2,526.0	(19.7)
		<i>2,683.7</i>	--	--	<i>2,683.7</i>	--	<i>2,683.7</i>	<i>2,663.2</i>	<i>20.5</i>
- Activities in Support of Broader Government Objectives		2.6	--	--	2.6	--	2.6	--	2.6
		<i>2.6</i>	--	--	<i>2.6</i>	--	<i>2.6</i>	--	<i>2.6</i>
- Real Property Disposition Revolving Fund		--	--	--	--	--	--	--	--
		<i>5.8</i>	--	--	<i>5.8</i>	--	<i>5.8</i>	<i>41.9</i>	<i>(36.2)</i>
Sub-total Services		2,508.8	--	--	2,508.8	--	2,508.8	2,526.0	(17.1)
		<i>2,692.0</i>	--	--	<i>2,692.1</i>	--	<i>2,692.1</i>	<i>2,705.1</i>	<i>(13.1)</i>
<b>Total Program/Business Line</b>	<b>4,185</b>	<b>3,664.8</b>	<b>278.6</b>	<b>--</b>	<b>3,943.4</b>	<b>425.6</b>	<b>4,369.0</b>	<b>2,791.2</b>	<b>1,577.8</b>
	<i>4,311</i>	<i>3,842.5</i>	<i>290.0</i>	<i>20.0</i>	<i>4,152.5</i>	<i>401.5</i>	<i>4,554.1</i>	<i>2,992.2</i>	<i>1,561.9</i>

**FIGURE 3: COMPARISON OF TOTAL PLANNED SPENDING TO ACTUAL EXPENDITURES IN 1996-97, BY BUSINESS LINE (CONT'D)**

(millions of dollars)	FTE	Operating (1)	Capital	Voted Grants and Contribution	Sub-total Gross Voted Expenditures	Statutory Grants and Contribution	Total Gross Expenditures	Less: Revenues Credited to Votes or Revolving Funds	Total Net Expenditures
<b><u>PROGRAM</u></b>									
<b>Business Line</b>									
Activity/Sub-Activity									
<b><u>SUPPLY AND SERVICES</u></b>									
<b>Supply Operations Service</b>									
Supply		117.3	--	--	117.3	--	117.3	24.0	93.3
-Vote		127.0	--	--	127.0	--	127.0	24.2	102.7
-Revolving Fund (RF)		45.2	--	--	45.2	--	45.2	45.2	--
		47.0	--	--	47.0	--	47.0	44.8	2.2
Public Relations and Print		47.8	--	--	47.8	--	47.8	47.9	--
Contract Services - RF		29.4	--	--	29.4	--	29.4	27.3	2.1
Crown Assets Distribution - RF		9.7	--	--	9.7	--	9.7	9.6	0.1
		12.4	--	--	12.4	--	12.4	18.3	(5.9)
Other Central Government Services		2.6	--	--	2.6	--	2.6	0.3	2.3
		2.9	--	--	2.9	--	2.9	0.1	2.8
Total Business Line	1,926	222.6	--	--	222.6	--	222.6	127.0	95.6
	1,853	218.7	--	--	218.7	--	218.7	114.7	104.0
<b>Government Operational Service</b>									
Receiver General		133.5	--	--	133.5	--	133.5	18.8	114.7
		122.3	--	--	122.3	--	122.3	18.0	104.3
Public Service Compensation		36.1	--	--	36.1	--	36.1	3.5	32.7
		52.1	--	--	52.1	--	52.1	8.2	44.0
Other Central Government Services		5.2	--	--	5.2	--	5.2	3.9	1.4
		7.9	--	--	7.9	--	7.9	5.0	2.9
Total Business Line	1,882	174.9	--	--	174.9	--	174.9	26.2	148.7
	1,658	182.3	--	--	182.3	--	182.3	31.1	151.2



FIGURE 3: COMPARISON OF TOTAL PLANNED SPENDING TO ACTUAL EXPENDITURES IN 1996-97, BY BUSINESS LINE (CONT'D)

(millions of dollars)	FTE	Operating (1)	Capital	Voted Grants and Contribution	Sub-total Gross Voted Expenditures	Statutory Grants and Contribution	Total Gross Expenditures	Less: Revenues Credited to Votes or Revolving Funds	Total Net Expenditures
<b>PROGRAM</b>									
<b>Business Line</b>									
Activity/Sub-Activity									
<b>Government Telecommunications and Informatics Services</b>									
-Vote		107.4	--	--	107.4	--	107.4	--	107.4
		123.4	--	--	123.4	--	123.4	--	123.4
-Revolving Fund		314.9	--	--	314.9	--	314.9	314.9	--
		379.3	--	--	379.3	--	379.3	366.7	12.6
Total Business Line	1,425	422.3	--	--	422.3	--	422.3	314.9	107.4
	1,434	502.7	--	--	502.7	--	502.7	366.7	136.0
<b>Canada Communication Group</b>									
-Vote		9.1	--	--	9.1	--	9.1	--	9.1
		9.7	--	--	9.7	--	9.7	--	9.7
-Revolving Fund		150.1	--	--	150.1	--	150.1	150.1	--
		121.7	--	--	121.7	--	121.7	99.3	22.4
Total Business Line	829	159.2	--	--	159.2	--	159.2	150.1	9.1
	779	131.4	--	--	131.4	--	131.4	99.3	32.1
<b>Consulting and Audit Canada</b>									
Consulting and Audit Canada	325	49.8	--	--	49.8	--	49.8	50.5	(0.7)
	299	74.9	--	--	74.9	--	74.9	75.1	(0.2)
<b>Translation Bureau</b>									
-Vote		33.9	--	--	33.9	--	33.9	--	33.9
		35.3	--	--	35.3	--	35.3	--	35.3
-Revolving Fund		90.5	--	--	90.5	--	90.5	83.0	7.5
		111.0	--	--	111.0	--	111.0	100.9	10.2
Total Business Line	1,226	124.4	--	--	124.4	--	124.4	83.0	41.4
	1,174	146.3	--	--	146.3	--	146.3	100.9	45.4
<b>Corporate Management</b>									
	2,413	172.4	--	--	172.4	--	172.4	102.8	69.6
	1,981	192.6	--	--	192.6	--	192.6	111.8	80.8
<b>Total Program</b>									
	10,026	1,325.6	--	--	1,325.6	--	1,325.6	854.5	471.1
	9,178	1,448.9	--	--	1,448.9	--	1,448.9	899.6	549.3

**FIGURE 3: COMPARISON OF TOTAL PLANNED SPENDING TO ACTUAL EXPENDITURES IN 1996-97, BY BUSINESS LINE (CONT'D)**

(millions of dollars)	FTE	Operating (1)	Capital	Voted Grants and Contribution	Sub-total Gross Voted Expenditures	Statutory Grants and Contribution	Total Gross Expenditures	Less: Revenues Credited to Votes or Revolving Funds	Total Net Expenditures
<b>PROGRAM</b>									
<b>Business Line</b>									
Activity/Sub-Activity									
<b>CROWN CORPORATIONS</b>									
<b>Crown Corporations</b>									
Old Port of Montreal Corporation Inc.		3.0	--	--	3.0	--	3.0	--	3.0
		3.8	--	--	3.8	--	3.8	--	3.8
Queens Quay West Land Corporation		6.5	--	--	6.5	--	6.5	--	6.5
		6.7	--	--	6.7	--	6.7	--	6.7
<b>Total Program/Business Line</b>	--	<b>9.5</b>	--	--	<b>9.5</b>	--	<b>9.5</b>	--	<b>9.5</b>
	--	<b>10.5</b>	--	--	<b>10.5</b>	--	<b>10.5</b>	--	<b>10.5</b>
<b>TOTAL DEPARTMENT</b>	<b>14,211</b>	<b>4,999.9</b>	<b>278.6</b>	--	<b>5,278.5</b>	<b>425.6</b>	<b>5,704.1</b>	<b>3,645.7</b>	<b>2,058.4</b>
	(2) <b>13,489</b>	<b>5,301.9</b>	<b>290.0</b>	<b>20.0</b>	<b>5,611.9</b>	<b>401.5</b>	<b>6,013.4</b>	<b>3,891.8</b>	<b>2,121.6</b>
<b>Other Revenues and Expenditures</b>									
Revenue Credited to the Consolidated Revenue Fund									(113.8)
Cost of Services provided by Other Departments									(106.3)
									23.4
									23.0
<b>Net Cost of the Department</b>									<b>1,968.0</b>
									<b>2,038.3</b>

Totals may not add up due to rounding

Shaded numbers denote actual expenditures/revenues in 1996-97

**Notes**

- Operating includes contributions to employee benefit plans and Minister's allowances.
- FTE utilization for 1996-97 is 13,489. The Department has approximately 12,100 employees on March 31, 1997.

**Performance Report**

**DEPARTMENTAL SPENDING**

**FIGURE 4: DEPARTMENTAL PLANNED VERSUS ACTUAL SPENDING BY BUSINESS LINE**

(millions of dollars)	Actual	Actual	Planned	Actual
<b>PROGRAM</b>	1994-95	1995-96	1996-97	1996-97
<b>Business Line</b>				
Activity/Sub-Activity				
<b>REAL PROPERTY SERVICES</b>				
<b>Real Property Services</b>				
Federal Accommodation	1,022.0	998.5	1,043.3	1,020.8
Federal Holdings	488.2	508.4	509.2	504.7
Program Coordination	39.5	40.9	42.5	49.4
	1,549.7	1,547.8	1,595.0	1,575.0
Services	5.2	40.7	(17.1)	(13.1)
<b>Total Program/Business Line</b>	<b>1,554.8</b>	<b>1,588.5</b>	<b>1,577.8</b>	<b>1,561.9</b>
<b>SUPPLY AND SERVICES</b>				
<b>Supply Operations Service</b>				
Supply - Vote	117.3	107.3	93.3	102.7
Other Central Government Services	--	3.0	2.3	2.8
	117.3	110.3	95.6	105.5
Supply - Revolving Fund (RF)	14.7	(1.6)	--	2.2
Public Relations and Print Contract Services - RF	5.7	4.7	--	2.1
Crown Assets Distribution - RF	1.2	(2.7)	0.1	(5.9)
	21.5	0.3	--	(1.6)
Total Business Line	138.8	110.6	95.6	104.0
<b>Government Operational Service</b>				
Receiver General	111.3	112.9	114.7	104.3
Public Service Compensation	52.4	46.0	32.7	44.0
Other Central Government Services	2.9	4.1	1.4	2.9
Total Business Line	166.7	163.0	148.7	151.2
<b>Government Telecommunications and Informatics Services</b>				
GTIS - Vote	114.9	117.4	107.4	123.4
GTIS - Revolving Fund	5.1	(23.2)	--	12.6
Total Business Line	119.9	94.2	107.4	136.0
<b>Canada Communication Group</b>				
CCG - Vote	9.5	9.2	9.1	9.7
CCG - Revolving Fund	34.8	29.6	--	22.4
Total Business Line	44.3	38.7	9.1	32.1
<b>Consulting and Audit Canada</b>	1.7	2.2	(0.7)	(0.2)
<b>Translation Bureau</b>				
Translation Bureau - Vote	105.7	28.4	33.9	35.3
Translation Bureau - Revolving Fund	--	9.6	7.5	10.2
Total Business Line	105.7	38.1	41.4	45.4
<b>Corporate Management</b>	77.3	84.1	69.6	80.8
<b>Total Program</b>	<b>654.5</b>	<b>530.9</b>	<b>471.1</b>	<b>549.3</b>

**Performance Report**

**FIGURE 4: DEPARTMENTAL PLANNED VERSUS ACTUAL SPENDING BY BUSINESS LINE (CONT'D)**

(millions of dollars)	Actual	Actual	Planned	Actual
<b>PROGRAM</b>	1994-95	1995-96	1996-97	1996-97
<b>Business Line</b>				
Activity/Sub-Activity				
<b>CROWN CORPORATIONS</b>				
<b>Crown Corporations</b>				
Old Port of Montreal Corporation Inc.	3.0	3.5	3.0	3.8
Queens Quay West Land Corporation	9.8	7.5	6.5	6.7
<b>Total Program/Business Line</b>	<b>12.8</b>	<b>11.0</b>	<b>9.5</b>	<b>10.5</b>
<b>TOTAL DEPARTMENT</b>	<b>2,222.1</b>	<b>2,130.4</b>	<b>2,058.4</b>	<b>2,121.6</b>

Totals may not add up due to rounding

## **B. PERFORMANCE ACCOMPLISHMENTS**

### **DEPARTMENTAL PERFORMANCE**

In addition to performance accomplishments at the Business Line level, PWGSC has contributed to government's overall policy agenda in terms of supporting Canada's economic framework, "Getting Government Right", supporting federal jobs strategy where possible, supporting Canadian enterprises and innovating through the strategic use of technology. PWGSC also demonstrated that it is a contributor to the government's integrity agenda in the context of sustainable development and in making government contract opportunities more accessible to small and medium-size Canadian enterprises.

#### **Key Accomplishments**

##### **□ Economic Framework**

PWGSC has launched an initiative to work with provincial governments in choosing a single-window electronic tendering system to replace the Open Bidding Service. This government electronic tendering service will make procurement opportunities from all governments across Canada, available to suppliers through a single access point.

PWGSC has successfully implemented the procedures and provisions of the World Trade Organization Agreement on government procurement, which came into force in January 1996. This agreement covers both selected goods and services. It promotes reciprocity among member countries, ensures openness and transparency of transactions, and helps small and medium-size businesses to obtain better access to expanded markets abroad.

##### **□ Getting Government Right**

PWGSC's Program Review made a significant contribution to the objective of "getting government right" by clarifying the

Department's roles and responsibilities, allocating resources to the highest priorities, and reducing resource levels. Program Review decisions involve eliminating, privatizing or transferring out some functions and improving the efficiency of remaining services through increased use of technology, streamlining of processes and amalgamation of organizations.

Direct deposit is the federal government's standard method of payment. Since October 1995, 3.5 million people have signed up for direct deposit of their Receiver General payments. The government is now saving almost \$50 million annually.

PWGSC has been involved, at different stages of negotiation, on pension benefit plans for more than 20 Alternative Service Delivery Initiatives, affecting more than 40,000 public servants in a dozen departments. The largest to date was the transfer of more than 6,000 Air Navigation Service employees from Transport Canada to a not-for-profit organization, Navigation Canada (NAVCAN) on November 1, 1996. Activities related to transferring pension entitlements for these employees are continuing.

##### **□ Public-Private Partnering**

PWGSC is committed to developing partnerships with the private sector. Examples of established partnership arrangements include:

- the Confederation Bridge;
- the Federal Buildings Initiative which provides energy savings to the federal government; and
- a Memorandum of Understanding with the Canadian Real Estate Association (CREA) to use the private sector in the disposal of specified surplus federal real property.

□ **Small and medium-size Businesses**

A Supplier Promotion Internet site has been established to provide information to businesses on how to sell their goods and services to government. This site supplements the ongoing Supplier Promotion Program offered by PWGSC at the local level across Canada.

PWGSC's Supplier Promotion Program explains to Canadian suppliers, large or small, how to do business with the federal government. The program is carried out jointly by PWGSC's Centre for Client and Supplier Promotion (CCSP) and PWGSC's Regional Offices. Each year the program holds seminars across Canada to give participants practical pointers on marketing to government and putting them in touch with key PWGSC contacts.

□ **Supporting Canada's Infrastructure**

The building of the Confederation Bridge provides a classic example of PWGSC's ongoing support to improve Canada's infrastructure.

While the Confederation Bridge project is indeed high profile, the Department contributes in other substantive ways. For example, PWGSC has developed a multi-year strategy to achieve a 10% reduction in the amount of space and costs of government accommodation, as well as additional reductions in space due to Program Review decisions. This strategy includes client-specific space envelopes designed to manage long-term demand in response to program decisions and to increase the efficiency of accommodation use.

**BUSINESS LINE PERFORMANCE**

**REAL PROPERTY SERVICES BUSINESS LINE**

The Real Property Services (RPS) Business Line manages a broad range of federal

properties such as office buildings, warehouses, housing in the North and many others. Currently, RPS provides office space for 160,000 public servants in 2,500 locations. RPS also manages certain highways, bridges, locks and dry docks. It is responsible for ensuring that the properties it manages are safe and healthy for the public and the people who work in them, and it has responsibilities in the area of emergency preparedness. Finally, RPS provides numerous professional and technical services in the engineering, architectural, property management and real estate fields, with a value of about \$2.4 billion annually, of which \$2.0 billion is through contracts with the private sector.

**RPS Strategic Statement**

Federal departments and agencies are currently facing major challenges to change, reduce and refocus their core activities and services. The PWGSC strategy for RPS is to use its skills and knowledge to become the government's real property expert and advisor. This strategy could eliminate the duplication of real property activities and resources across government, allowing departments and agencies to focus exclusively on their core programs and services. It could also make it easier to rationalize inventory of office space as the government shrinks.

RPS will work to convince departments and agencies that currently rely on in-house real property expertise that RPS can meet their needs more effectively and more affordably. The Branch will develop a much better knowledge of its clients' programs, cultures and objectives, so that it can tailor its real property expertise to clients' particular circumstances. RPS will give its clients easy access to a full range of real property products and services by establishing dedicated client-service units, preferably co-located with the client. These centres will be as convenient and responsive as the internal resources that clients currently use.

When the private sector can provide services more cost effectively, RPS will redefine its relationships with it to reflect the government's emphasis to increase partnership opportunities and contracting out. It will move away from a position of real or perceived competition with the private sector. Instead, it will work with clients to identify problems, define client needs and work strategically with the private sector to meet client needs.

In addition, RPS will look for opportunities to collaborate with provincial and territorial governments in delivering real property services, which will result in significant cost savings and efficiencies.

### **Accomplishments of the RPS Business Line**

#### **□ Cost Savings**

In 1996-97, PWGSC saved \$70 million by reducing the amount of office space occupied by federal government employees.

These savings support the government's objective of reducing costs and, ultimately, eliminating the deficit. RPS plans to achieve annual savings of \$160 million in federal office accommodation by April 1, 1999. It will do so not only by reducing the number of square metres occupied, but by strategically managing the demand for space and using it more productively.

The Federal Buildings Initiative (FBI) enables government departments to make energy-saving improvements to their building at no cost to taxpayers. This is done by inviting private-sector firms to carry out retrofits in return for payments from the savings they generate. The renovations involve state-of-the-art energy management technology and job creation through private-sector investment. Other benefits include creating healthier workplaces as well as strengthening Canada's environmental industries. As of March 1997, 14 contracts

with a value of \$20 million had been signed with energy conservation companies. This creates annual energy savings of \$3 million and involves 390 jobs.

Real property services are provided to federal departments and agencies on a fee-for-service basis at market rates. This service operates on a revolving fund with a maximum draw-down of \$450 million. In 1996-97, the revolving fund achieved a break-even position (excluding Early Departure Incentives/Early Retirement Incentives/Workforce Adjustment [EDI/ERI/WFA] costs) for the first time between revenue and operating costs. This position was achieved by reducing costs through increased outsourcing, downsizing, reducing overhead and re-engineering.

#### **□ Improving Client Service**

One major objective of PWGSC's Real Property Services is to improve the services it provides to client departments and agencies. A key activity in achieving this objective is establishing Client Service Units (CSUs). A typical CSU is department-specific, is located directly on a department's premises and provides clients with "one-stop shopping" for all real property services. In 1996-97, PWGSC established 10 new CSUs, bringing the total to 13.

The results of CSUs may be measured in terms of increased client satisfaction and the extent to which client departments regard PWGSC as the preferred supplier of services relating to real property.

#### **□ Working with the Private Sector and other Levels of Government**

A major initiative of PWGSC in Real Property Services (RPS) is Alternative Forms of Delivery (AFD) which involves working more closely with the private sector and other levels of government to deliver certain real property services, rather than using in-house staff.

In 1996-97, RPS completed a thorough review of its functions to determine which were core activities for the federal government and should continue to be carried out in-house, and which could be either contracted out to the private sector, or transferred to provincial, territorial and municipal governments. This review will provide the basis for the move to AFD—a move that will radically change the way PWGSC does business.

RPS has defined the nature and size of 18 AFD contracts or "packages". It has also set minimum standards for them: contracts must produce at least 10 percent savings in operating and maintenance costs. As well, they must offer jobs to at least 50 percent of the staff currently doing the work in-house.

Five packages (value: \$14 million) involve agreements in principle with provincial and territorial governments. The remaining 13 (value: \$216 million) are being offered to the private sector. All proposals are being evaluated to ensure that they yield the best combination of jobs for employees and savings for the government.

Future indicators of success for AFD will include:

- the value of work delivered by the private sector, provinces and territorial governments;
- achievement of targeted cost savings for RPS inventory.

RPS will assess the results of this initiative and report on them at a later date.

#### □ **Managing Real Property in the Federal Government**

A Management Advisory Board for Federal Real Property was established in January 1996. It is co-chaired by senior officials from PWGSC and the Treasury Board Secretariat. The purpose is to provide a vehicle for the

departments and agencies represented on the Board to discuss real property matters and make collective decisions aimed at improving the management of, and achieving savings in, real property across Canada. Board members consider the approach to be truly effective and are exploring ways to strengthen the role of the Board.

The Board's work has resulted in new office strategies. For example:

- One floor for Environment Canada in Hull was reduced from 3200 to 1700 m<sup>2</sup> to save \$300,000 annually.
- Toronto North Tax Service Office: The annual lease cost was reduced by \$1 million.
- Toronto West Tax Service Office: The annual lease cost was reduced by \$900,000.

#### □ **Assessing the User-Pay Model for Office Space**

In 1996-97, PWGSC carried out reviews and studies relating to the feasibility of instituting a user-pay model for office space. Under user-pay, departments and agencies would reimburse, at market rates, the costs PWGSC incurs for rent and providing various services.

The benefits of a user-pay system include:

- improved accountability for results; and
- increased flexibility for departments to make trade-offs within their Operating Budget.

During the 1996-97 fiscal year, PWGSC worked with Human Resources Development Canada and the Treasury Board Secretariat to support HRDC in implementing full reimbursement for accommodation effective April 1, 1997. In so doing, PWGSC developed a framework of principles and



processes that could serve as a model or template for other departments who may wish to institute a user-pay regime for real property services, as appropriate.

□ **Parliamentary Precinct**

The Parliamentary Precinct includes all accommodation occupied by the House of Commons, the Senate, the Library of Parliament, as well as the grounds associated with Parliament Hill. The office and other spaces, most of which is in heritage buildings, is managed to protect the government's investment and to ensure compliance with health and safety and accessibility standards. RPS is also responsible for a number of major renovations, such as the East Memorial Building, which will become the new Headquarters for the Department of Justice; the Justice Building, which will be occupied by the House of Commons during the West Block renovation; and the federal assets along the north side of Sparks Street, Ottawa.

The Department is carrying out a 12-year, \$265 million renovation and rehabilitation program for Parliament Hill to address safety and health deficiencies and to ensure the continued operation of Parliamentary facilities. Implementation of the rehabilitation program within the Precinct is proceeding on schedule. The first major project, the conservation of the Peace Tower, was completed, and the Tower was officially opened to the public in December 1996.

□ **Other Noteworthy Projects**

- The construction of the National Archives Building in the National Capital Region provides 23,400 square metres of state-of-the-art space to preserve Canada's archival treasures.
- During the retrofit to the Harry Stevens Building in Vancouver, "friction dampers" were employed on the seismic

upgrading portion of the project. This innovation reduced the cost of this project component by 35% and marked the first time an application of this kind has been used in a federal building.

**SUPPLY OPERATIONS SERVICE  
BUSINESS LINE**

The Supply Operations Service (SOS) Business Line provides common services associated with procuring goods and services on behalf of the federal government. It manages the procurement process by conducting market research to identify what products are available from suppliers; carrying out studies on product planning and method-of-supply; soliciting, evaluating and selecting bids; and negotiating, issuing and administering contracts. In 1996-97, SOS issued approximately 75,000 contracts totaling \$8.2 billion, encompassing some 17,000 categories of goods and services for about 100 federal departments and agencies.

SOS also manages major Crown projects (i.e., projects valued at more than \$100 million); disposes of Crown assets; helps to develop standards; undertakes copyright administration for the federal government; and provides publishing services

**SOS Strategic Statement**

SOS will meet its goals by pursuing PWGSC's four primary strategic directions: enhancing its contribution to government, improving its services, seeking savings and pursuing efficiency, and managing its human resources effectively.

In order to support PWGSC's primary strategic directions, SOS has established the following strategies and goals:

- to foster an environment that builds on employees' abilities and talents, that respects employees' needs and concerns, and that encourages energy, excellence and enthusiasm;

- to provide value-added procurement services that address clients' needs by utilizing the Branch's knowledge and expertise;
- to cultivate our relationships with contractors based upon professionalism, fairness and openness; and
- to develop policies and programs that reflect broad government objectives and, through their application, that reflect excellence in performance.

### **Accomplishments of the SOS Business Line**

#### **□ Confederation Bridge**

The role of PWGSC in this project was to manage the complex contracting process and ensure that the Crown's interest was protected. Specifically, PWGSC monitored the project to ensure that it was proceeding according to agreements, including those related to financial security and commitments relating to engineering and technical specifications, regional industrial benefits and environmental protection.

This project involved building a 12.9 km bridge across the Northumberland Strait between Prince Edward Island and New Brunswick. Rather than financing the project on its own, the federal government opted for a concept known as "Build-Own-Operate-Transfer", whereby a contractor uses private sector financing to build the bridge, operate and maintain it and, after 35 years, transfer ownership to the federal government. The government's primary financial contribution will be in the form of 35 annual payments of \$41.9 million.

The bridge, which has a planned life span of 100 years, was completed at the end of 1996-97 on time and according to the project agreements.

#### **□ Helping Business to Access**

### **Contracting Opportunities**

In an effort to ensure the government's procurement process is accessible, fair and transparent and that it provides best value for taxpayers, PWGSC has represented the Federal government in a federal/provincial co-operative effort, initiated by the Agreement on Internal Trade, to develop a single government electronic tendering service. After a competitive procurement process, using specifications and a selection process developed jointly by the federal and provincial governments, a contractor to develop the new service was selected, and a contract signed in January 1997.

The new service will electronically advertise PWGSC and other federal, provincial and municipal contracting opportunities to potential bidders across Canada. Anyone with access to the Internet will be able to search a database for business opportunities. The database will also provide a no-charge, on-line library of useful procurement information, including PWGSC's Standard Acquisition Clauses and Conditions (SACC) Manual and the Standard Terms and Conditions of the federal government's Standard Construction Contract. For a fee, subscribers to the service will be able to access a service that matches business opportunities to suppliers' profiles.

#### **□ The Supplier Promotion Program**

The Supplier Promotion Program explains to Canadian businesses, via the Internet and other media, in clear, concise and non-bureaucratic language, how to do business with the federal government. Across Canada during 1996-97, some 497 supplier promotion seminars (including demonstrations of the electronic tendering system) were held, of which 102 were Aboriginal seminars and 11 Minority Official Language seminars. The Supplier Promotion Program also participated in 16 InfoFairs and other events targeted at small and medium-sized enterprises.

□ **Green Purchasing for Sustainable Development**

In 1996-97, PWGSC developed the concept and system specifications that will provide information on the nature and availability of "green" (i.e., environmentally friendly or sustainable) products. The system includes a data base of information that all government staff who are involved in purchasing products can use to make informed and environmentally sound buying decisions.

Instituting sustainable development practices is the responsibility of many organizations and individuals—inside and outside PWGSC. Nevertheless, the new system represents an important PWGSC contribution to meeting these responsibilities. Anticipated benefits include a stronger more competitive core of Canadian firms who supply environmentally friendly products, a healthier environment, and new standards for products and manufacturing processes that reflect environmental concerns.

□ **Benefits-Driven Procurement**

In 1996-97, PWGSC developed a new model for procuring information technology (IT) projects. The model, known as Benefits-Driven Procurement (BDP) will manage and reduce the risk inherent in IT projects by adding more accountability, discipline and control to the management process. The model supports the Treasury Board's "Enhanced Framework for the Management of Information Technology Projects". BDP reduces the cost of preparing and evaluating bids; a better method of evaluating suppliers; an accelerated contractor-selection process; and, recognition that a long lead time for the development of functional and technical specifications to support the procurement process does not automatically result in an effective system. It draws on the "lessons learned" from industry experience with IT and applies them in developing the business cases for IT projects and in identifying the benefits they are expected to produce. The

results are expected to be a higher success rate for IT projects in terms of final cost, timely delivery and performance.

□ **The Automated Buyer Environment**

In 1996-97, the Automated Buyer Environment (ABE) was fully implemented in PWGSC. ABE now forms an integral part of the day-to-day business activities of most PWGSC procurement staff. It provides for a very high level of support to the entire procurement function and for significant management information and control over the entire acquisition business process. ABE also provides for full electronic integration with the government electronic tendering system and provides the basis for electronically communicating and exchanging procurement documents (e.g. contracts) with client departments and agencies. ABE continues to evolve and provide for better functionality and capabilities, and infrastructure requirements.

□ **Supporting Aboriginal Business**

In 1996-97, PWGSC completed modifications to its contracting database to include information that staff need to support the Government's Procurement Strategy for Aboriginal Business. As well, PWGSC launched a series of Supplier Promotion seminars targeted at Aboriginal Business. To that end, 102 seminars were conducted. PWGSC will continue to encourage participation in these seminars through promotional efforts and continuing close liaison with the leaders of Aboriginal communities.

□ **Vendor Performance Policy**

During 1996, PWGSC implemented an updated "Vendor Performance Policy". The new policy enables the Department to assess supplier performance and avoid dealing with those which have performed poorly under past contracts. The updating was made necessary by the continuing move of

PWGSC to open competitive procurement processes, in which suppliers, not contracting staff, assess their capabilities against the government's requirements and decide whether to bid. The introduction of an up-to-date Vendor Performance Policy allows PWGSC to better assess suppliers' past performance and, where this has been unsatisfactory, to require that corrective measures be taken before accepting bids from them for additional contracts.

The Vendor Performance Policy is a tool to improve PWGSC's service to other departments. The policy will help ensure better value for money, and that taxpayers get what they pay for.

□ **Seized Property Management**

The government's Crime legislation empowers police to seize and hold money or other assets that have been acquired from the profits of criminal activity, such as drug trafficking and the smuggling of alcohol and tobacco. PWGSC's Seized Property Management Directorate advises police forces on the financial advisability of seizing an asset. It is also involved with keeping records relating to seized assets, in disposing of assets and in distributing proceeds.

The proceeds are shared between the federal government, the provinces and, where applicable, foreign governments. The extent to which federal, provincial or municipal, or foreign police forces have been involved in the investigation and the actual size of the seizure determines the share.

**GOVERNMENT OPERATIONAL SERVICE BUSINESS LINE**

The Government Operational Service (GOS) Business Line includes two Service Lines: Receiver General and Public Service Compensation.

**GOS Strategic Statement**

The GOS Business Line is committed to maintaining a high standard of service, even as it is changing delivery systems significantly to increase efficiency and to give clients more control and flexibility. The Receiver General and Compensation services are critical to effective government administration and, in the case of payments, touch the Canadian public directly.

The GOS Business Line strategy is focused on moving toward a paperless environment by upgrading delivery systems and processes. The Receiver General is playing a major role in the federal government's electronic commerce initiatives by creating a more effective infrastructure for inflows of revenue and disbursements of funds. It is also supporting the government-wide initiative to improve financial management through the implementation of accrual accounting.

As well as making technological changes, the GOS Business Line is reducing costs by consolidating service delivery organizations, standardizing and streamlining the functions of these organizations. The overall reduction target of 286 FTEs in 1996-97 was achieved, leaving further reductions of 189 FTEs in 1997-98 and 130 FTEs in 1998-99. Once GOS has completed planned technological and organizational adjustments and has achieved maximum efficiency under the current delivery model, it intends to evaluate whether the private-sector could carry out Receiver General and compensation operational activities functions more cost effectively.

**Receiver General Service Line**

The Receiver General functions include the receipt, transfer, holding and disbursement of public money and the redemption of payments; the negotiation of all banking services related to the Consolidated Revenue Fund; the provision of financial information; maintenance of the Central Accounts of Canada; and preparation of the Public Accounts of Canada. The Receiver General

redeems and validates all government payment instruments and places all public money in interest-earning accounts at Canadian and foreign financial institutions. The Receiver General issues over 193 million payments each year to Canadians.

**Accomplishments of the Receiver General Service Line**

**Improving Financial Management**

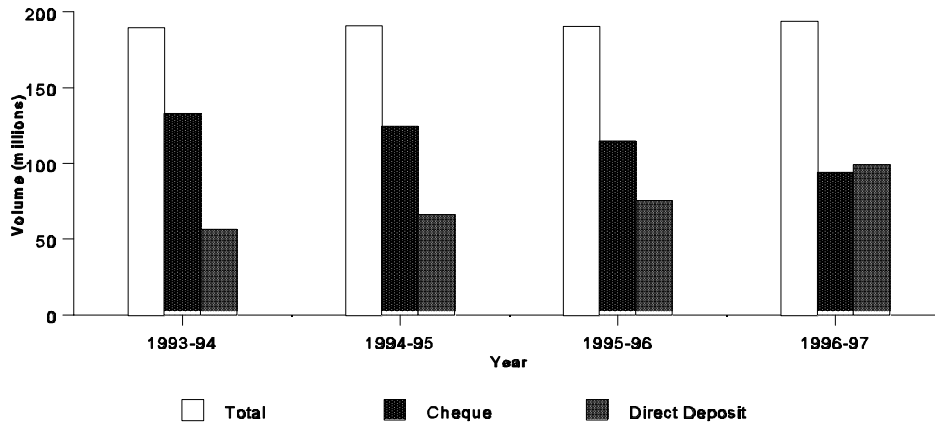
As a key part of the government-wide Financial Information Strategy, the Central Financial Management and Reporting System (CFMRS) supports the implementation of accrual accounting and provides meaningful, timely and relevant monthly financial management information to central agencies and departments. During 1996-97, the concept and design for the CFMRS were completed and approved by PWGSC management and the Treasury Board Secretariat. A \$2.8 million contract to build, test and implement the system was issued. The first of three prototype versions to be delivered over a two-year period came in on-schedule and within budget in

March 1997.

**Expanding Direct Deposit**

Direct Deposit has dramatically improved service to the public since 1994-95, when 30% of Receiver General payments were first handled electronically. The Direct Deposit Expansion campaign, begun in 1995-96, is continuing this momentum. For example, approximately 53% of Receiver General payments were made by direct deposit in 1996-97. This marks an increase of 14% in Direct Deposit take-up since 1995-96 when 38% of payments were made by direct deposit. Operational savings from direct deposit were close to 50¢ an item, totalling approximately \$50 million in 1996-97. Figure 5 illustrates the Progress PWGSC has been making in this area. Of the payments issued electronically in 1996-97, 74% of Old Age Security recipients, 72% of Canada Pension Plan recipients and more than 84% of current and retired public servants received compensation through direct deposit.

**Figure 5: Receiver General Payments**



**Improved Efficiency**

The 11 sites delivering Receiver General payment services across Canada were

reduced to 4 in 1996-97, as planned. In addition, service standardization—including elimination of much of the special handling for suppliers accounts cheques—began in

1996-97. The greater part of the savings for these initiatives will be seen in 1997-98 (129.8 FTEs; \$4.2 million) and 1998-99 (37.0 FTEs; \$1.1 million).

The two initiatives noted above were the primary reasons for the reduction in overall costs in 1996-97 for the Receiver General service line.

### **Public Service Compensation Service Line**

The Public Service Compensation Service Line administers government payroll and pension processes, including the development and maintenance of computer systems, and a system of six regional service offices, in order to allow clients (100 departments and agencies) to administer pay and benefits in accordance with the collective agreements and compensation policies established by Treasury Board and for the purpose of the administration of the Public Service Pension Plan. The Service Line also provides specialized pension administration services to National Defence and the Royal Canadian Mounted Police.

### **Accomplishments of the Public Service Compensation Service Line**

#### **□ Streamlined Delivery of Payroll Services**

Recognizing the need for a revised plan after the cancellation of the Public Service Compensation System project, PWGSC set out to improve productivity by centralizing functions, consolidating offices, applying technology and restructuring. Streamlined accounting, system control and system management processes and automation of elements of the retirement process were the major initiatives completed in 1996-97 as planned. An example of improved productivity was in pay accounts, where operational staff increased the number of accounts processed by more than 25% (583 compared to 453 processed previously). This

resulted in a decrease in operational costs per account from \$82 to \$66 during this period.

#### **□ Supporting Government Downsizing and Pension Reform**

PWGSC implemented the new provisions announced in the 1996 Budget calling for the revision of pension administration to provide for vesting after two years and for new values on termination of employment. The measure increased pension portability, thereby encouraging mobility in the workforce, employee departures and compliance with pension legislation standards. The Service Line was able to absorb the impact of the government's early retirement program where the number of new and deferred annuities processed increased by 37%, from 7,650 to 10,500.

### **GOVERNMENT TELECOMMUNICATIONS AND INFORMATICS SERVICES BUSINESS LINE**

The Government Telecommunications and Informatics Services Business Line (GTIS) manages and brokers the provision of government-wide electronic infrastructure and services. These facilitate universal access to information and enable the government to make transactions electronically, placing special emphasis on electronic commerce as the preferred means of doing business. It also plays a key role in delivering government programs and services to the public by providing information management/information technology (IM/IT) services that support departmental operations. These services include applications management, telecommunications and computing services.

### **GTIS Strategic Statement**

GTIS originally strove to be recognized by the federal government community as the supplier of choice for IM/IT infrastructure and common services. However, GTIS is transforming its role. Instead of delivering

services directly, it plans to focus on managing infrastructure and common services. GTIS will continue to redefine its core functions while expanding its use of the private sector and other sources to deliver services, and it will work to develop appropriate partnerships with federal departments and other levels of government, as well as with the private sector.

### **Accomplishments of the GTIS Business Line**

#### **□ A New Service Delivery Model**

In 1996-97, PWGSC adopted a new model for delivering telecommunications services to government departments. The model emphasizes an increased reliance on the private sector to deliver services, where possible and cost effective. In February 1997, a new comprehensive Telecommunications Services Supplier Arrangement (TSSA) was put in place on behalf of all departments and agencies in response to the emerging deregulated supply environment. Using the TSSA, departments can acquire a broad range of telecommunications services, benefitting from lower telecommunication costs to government departments resulting from combined purchasing power. PWGSC is examining other areas of its operations to identify additional opportunities for the private sector to assume a larger role in delivering services, including the operation of data centres and application development services.

#### **□ Electronic Commerce**

PWGSC is continuing to provide common infrastructure to government to support departments in their use of electronic commerce. By the end of 1996-97, the Government Electronic Directory Service (GEDS) contained e-mail addresses for more than 170,000 public servants (including provincial employees). This service reduces operating costs for line departments by

eliminating the need to maintain their own separate electronic directories.

The Government Electronic Data Interchange Service (GEDIS) provides departments with a secure single-window access to do business with Canadian industry by permitting the translation of messages in different formats, the routing of transactions and secure file transfers over the Internet. During 1996, 18 external trading partners were included in the service (e.g., the Bank of Montreal, CIBC, General Motors, IBM, Bell Canada) which is being used by 20 departments.

#### **□ Network Management Services**

Work was completed on developing services (Government Enterprise Network Management Services) for centrally managing the varied telecommunications networks of other government departments on a cost-recovery basis.

A good indicator of the success of this system is the take-up rate for these services among departments and agencies. Since the service was introduced in the first quarter of 1996-97, the number of sites managed by PWGSC has grown to 23. These services have resulted in savings and increased efficiencies for individual client departments.

#### **□ Government Enterprise Network - Information Highway**

Government Enterprise Network (GENet) is the foundation for the Government of Canada's portion of the Information Highway. GENet provides cost-effective access to many common network services, including Internet access. It also provides the interconnection facility to link different departmental networks. In 1996-97, PWGSC extended GENet access to 22 more departments and agencies, for a total of 84 at the end of the fiscal year, and it established pilot projects with three provincial networks.

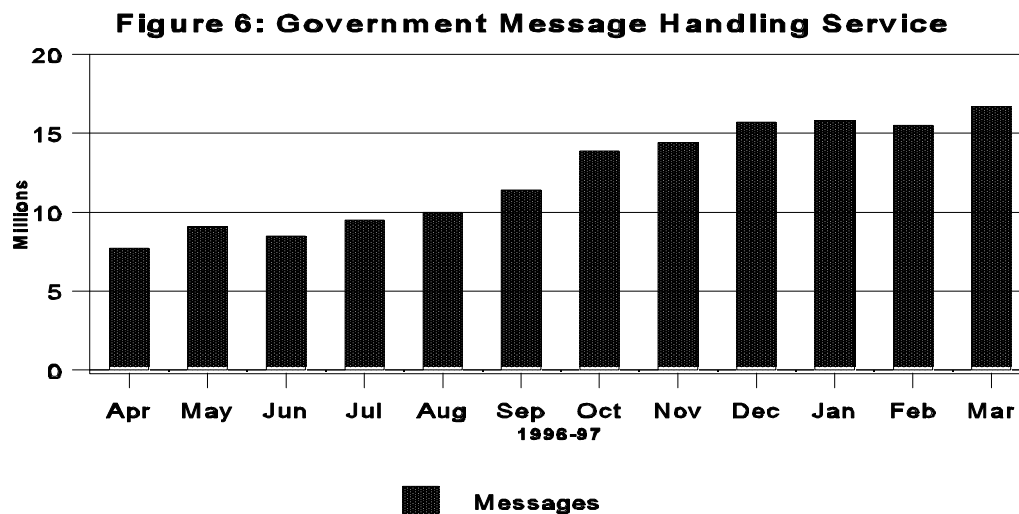
□ **Government-Wide E-Mail**

The Government Message Handling Service (GMHS) provides the electronic messaging 'backbone' for the Government of Canada, which is one of only a few national governments to have established a government-wide E-mail system that effectively supports a wide variety of hardware and software from different suppliers. Based on international standards, GMHS permits proprietary messaging systems to communicate with one another thus protecting existing departmental investments and enabling a wide variety of suppliers to compete for government business.

Some 200,000 public servants from 70 departments and agencies can easily exchange messages and information files with their counterparts across government. In

addition, GMHS provides gateways to other services, such as the Internet and commercial services in North America and overseas. PWGSC has registered the Government of Canada with the International Telecommunications Union (ITU) as an international domain, permitting straight-forward exchange of information with clients throughout the world. Some 25% of messages are now routed to and from the Internet.

Usage of GMHS has been increasing at an average rate of 8.5% per month. Figure 6 shows the extent to which the use of GMHS is increasing in terms of the number of messages sent. The primary benefit flowing from GMHS is a faster, simpler way for government departments to communicate with each other.



□ **Government Mobile Satellite Service**

The Government Mobile Satellite Service (GMSS) was launched in April of 1996. It offers government departments a range of telecommunications services to and from remote locations in North and Central America which were previously unserved by

other means.

The results have been immediate. No matter how small or remote a field site may be, it has instant access to voice, data or facsimile communication. In turn, this means better support for delivering services to communities in isolated areas, as well as providing communications in emergency



situations such as search and rescue operations in the Manitoba floods. Communication by satellite is very cost effective when compared to other methods of providing communications to these remote locations. Since its launch, approximately 800 federal government groups have subscribed to the service.

□ **The "Canada Site"**

PWGSC has been closely involved in developing and managing the Government of Canada's Internet site. The Canada Site "home page" was established in December 1995 and provides a single point

of access to government internet-based information and services provided by a broad range of departments. The primary benefit is that the Canadian public and international audiences have a simple, direct way to obtain comprehensive information about Canada and the Canadian government.

Since the Canada Site opened, the number of "visits" has steadily increased. Figure 7 indicates the usage rates for 1996-97. To locate the site, the public can visit [http://canada.gc.ca/main\\_e.html](http://canada.gc.ca/main_e.html).



**CANADA COMMUNICATION GROUP BUSINESS LINE**

Until the spring of 1997, the Canada Communication Group (CCG)—originally the Queen's Printer—had been a government agency that provided printing, photocopying and related services to its clients. It also provided other services relating to serving public policy objectives. On March 7, 1997, the Government of Canada officially completed the sale of the Canada Communication Group to the St. Joseph Corporation. St. Joseph is a large, family-owned Canadian commercial printing company based in Toronto.

The sale marked the successful culmination

of intensive negotiations, which began in June 1996, between the government and potential buyers to privatize CCG, while ensuring the best possible deal for CCG's employees and Canadian taxpayers. At the same time, the sale reflects the promise in the 1995 Budget to get out of businesses that the private sector can do better.

The sale is a major success for a number of reasons. First, as a condition of sale, the government had required that any buyer offer a minimum of 400 jobs to CCG employees. This target was greatly exceeded, with St. Joseph Corporation offering jobs to all 552 operational full-time employees, along with 30 Corporate Services employees. Second, the selling price of \$7 million

represents a fair return for taxpayers. Third, the cost of the transition—primarily compensation for laid-off employees—was kept to a minimum. Finally, the newly privatized CCG Inc. will continue to offer competitive pricing, quality and customer service in order to earn government business.

In privatizing CCG, the government sold its printing, warehousing and distribution operations. These include the main printing plant in Hull, Quebec and a network of printing centres in Ottawa and in every region of Canada. However, the government retains those functions that serve a public policy role: Reference Canada, the editing of the Canada Gazette, Crown Copyright and the Depository Services Program.

The privatization of CCG has clearly offered business opportunities to the private sector while enabling the government to meet its obligations to CCG's employees and Canadian taxpayers. It has also provided valuable lessons and a model for privatizing any similar government operation in future.

## **CONSULTING AND AUDIT CANADA BUSINESS LINE**

Consulting and Audit Canada (CAC) is a Special Operating Agency that provides a range of audit and consulting services to government departments and agencies.

### **CAC Strategic Statement**

CAC will continue to strive relevant management consulting, audit and related services to the federal government. Its services and public sector expertise will continue to be relevant and in demand in the public sector environment that is focused on improvement, partnership, service delivery and revitalization.

CAC intends to maintain financially self-sufficiency through continually improving all areas of client service and performance and

by developing and delivering services and products that are relevant to government clients.

### **Accomplishments of the CAC Business Line**

#### **□ Contribution to Public Sector Management**

CAC's major contribution to better management lies in transferring knowledge and expertise to public sector managers.

In 1996-97, CAC published four issues of *Optimum* and one issue of *Changing Times*. A number of articles by CAC professionals were published in the newsletter of the Institute of Internal Auditors, the FMI journal, and other publications. As well in 1996-97, CAC established a Web site as a means of disseminating information.

CAC's audit practice is a significant part of its business. In 1996-97, CAC provided over 256,000 hours of audit on approximately 2,000 files, including 9,500 hours on the audit of 19 Major Crown Projects to verify costs and protect the public purse (e.g. Space Station, TRUMP and Drone). Over \$22 million of potential savings have been identified through CAC's contribution and cost audits. As well, CAC provided over 38,000 hours of internal audit and review services to 41 organizations who did not have adequate in-house audit capacity because of cost-effectiveness considerations or other factors, such as size.

In addition, CAC's consulting teams completed over 1,200 assignments in 1996-97. CAC provided advice and services to senior level departmental management covering a wide range of complex issues, thus contributing to improving management and decision-making in the public sector.

#### **□ Public Sector Consulting and Audit Services**

CAC aims to be the supplier of choice for a

growing number of government clients for public sector consulting and audit services. Key indicators of the progress in this area are the growth in business volume (revenue) and the amount of repeat business.

CAC's revenues for 1995-96 and 1996-97 were \$60 million and \$75 million, respectively, which represents substantial growth; much of this growth is attributable to increased collaboration with the private sector partners.

Over a three-year period, including 1996-97, about 92 percent of CAC's clients have contracted with the Agency to provide consulting or audit services on two or more occasions. This level of repeat business indicates a high degree of client satisfaction with the Agency's services.

□ **Supporting Government Policies and Priorities**

In 1996-97, the Agency continued to contribute to meeting a range of key government priorities. The following is a partial list to illustrate the results flowing from some of the Agency's activities in this area.

**Support for Small and Medium-Size Enterprises (SMEs)**

In 1996-97, CAC's revenues were \$75 million, of which private sector sub-contractors received approximately \$41 million in business, 99 percent of which represented contracts with SMEs.

Involving SMEs in CAC projects has enabled these firms to gain valuable exposure to government projects and the government environment. It should be noted that the Agency does not compete directly with the private sector; rather, it facilitates bringing together of public and private sector skills in the public sector environment.

**Sustainable Development**

In 1996-97, CAC provided strategic and operational support in implementing sustainable development strategies and environmental management systems across the government. Currently CAC expertise supports more than one third of all government departments and agencies in implementing these initiatives.

**Organizational Change**

The Agency has helped several organizations to plan, implement and adjust to downsizing and restructuring and other initiatives such as the La Relève and Program Review.

□ **Achieving Financial Self-Sufficiency**

Financial performance has been steadily improving since 1993-94. In 1996-97, CAC achieved an operating surplus (before consideration of EDI/EFI/WFA costs) of \$2.4 million, which the Agency used to pay down its accumulated deficit and reduce the draw on its revolving fund of \$30 million.

**TRANSLATION BUREAU BUSINESS LINE**

The Translation Bureau was established as a Special Operating Agency in 1995. Services are provided on an optional fee-for-service basis to the judiciary and to federal departments and agencies. The Bureau provides translation services in Canada's two official languages. It also provides interpretation and terminology services to Parliament, and interpretation and terminology services to federal departments, agencies and other clients.

**Translation Bureau Strategic Statement**

The Translation Bureau will meet its goals of quality, cost-effective products and services, and security of supply in official and other language combinations to federal departments and agencies by streamlining its activities to create efficiency gains,

improving productivity, upgrading its systems and work tools, and developing its human resources to meet present and future challenges. It will also strive to maintain loyalty of its existing clients and to expand its client base to realize economies of scale.

### **Accomplishments of the Translation Bureau Business Line**

Taken together, the achievements below contribute to maintaining a viable and cost-effective translation service to meet the federal government's needs and those of a growing number of international clients.

#### **□ Quality of Service**

A key challenge for the Bureau is to increase productivity without sacrificing quality. Results to date indicate that it has succeeded to do so. A process for measuring client satisfaction is under development. In the future it will be used on a regular basis with departments and Parliamentary users of translation and interpretation services.

The Bureau is working to tailor its services to client needs, whether those services are paid for under the revolving fund or supported by appropriation, as in the case of Parliamentary services and terminology. Surveys, individual feedback and revenue levels will help assess results.

The Bureau's ability to maintain quality is reflected in a growing business volume and, therefore, growing revenue. By focusing on quality and creating single-window access to a range of translation services, the Bureau was able to generate a business volume for 1996-97 of \$64 million (\$11 million higher than forecast).

#### **□ Reducing the Bureau's Deficit**

The Bureau must reach a break-even position by 2000-2001. A strategy to achieve this goal is in place. Reducing overhead and increasing efficiency are key elements of this

strategy. In 1996-97, the Bureau surpassed its deficit-reduction target by \$6 million. Reductions in indirect expenses of about \$4 million contributed significantly to this goal.

#### **□ Gains in Productivity**

The Bureau increased its internal productivity by 15 percent in 1996-97, compared to the previous year. This was largely the product of re-engineered work processes, streamlined workflow, increased efficiencies and better integration of functions and services. Continuing gains will help the Bureau to balance its revenues and costs over the next three years.

To complement its in-house staff and expertise, the Bureau contracted out \$24M of services in 1996-97, mostly for translation and interpretation services, all to Canadian small businesses.

#### **□ Improving Access to TERMIUM**

TERMIUM is the Translation Bureau's on-line database of English and French terminology, a key tool to help realize the Bureau's mandate to standardize French and English terminology in the Public Service.

In 1996-97, the Bureau made TERMIUM available to federal departments at no charge. As a result, some 40,000 people in 65 federal departments and agencies can rely on this tool to produce more accurate translations and use technical and non-technical terms more consistently in both official languages.

### **CORPORATE MANAGEMENT BUSINESS LINE**

The Corporate Management Business Line provides a wide range of support services and management support to PWGSC. It comprises the offices of the Minister and the Deputy Minister and the functions of finance, communications, audit and review, human

resources, capital assets and material management, security, contract claims resolution, corporate policy and planning, public opinion research, and legal services as well as the function of the Corporate Secretary.

□ **Corporate Management Strategic Statement**

The Corporate Management function is managed so that its FTE use does not exceed 15 percent of the departmental total. In 1996-97, the expenditures for the Corporate Management Function, as a percentage of total departmental net expenditures, was approximately 3.8 percent.

Perhaps more than any other government department, PWGSC has been affected by Program Review and the need to redesign, reduce, re-skill and renew. In essence, PWGSC has had to redesign itself. Accordingly, there has been a growing

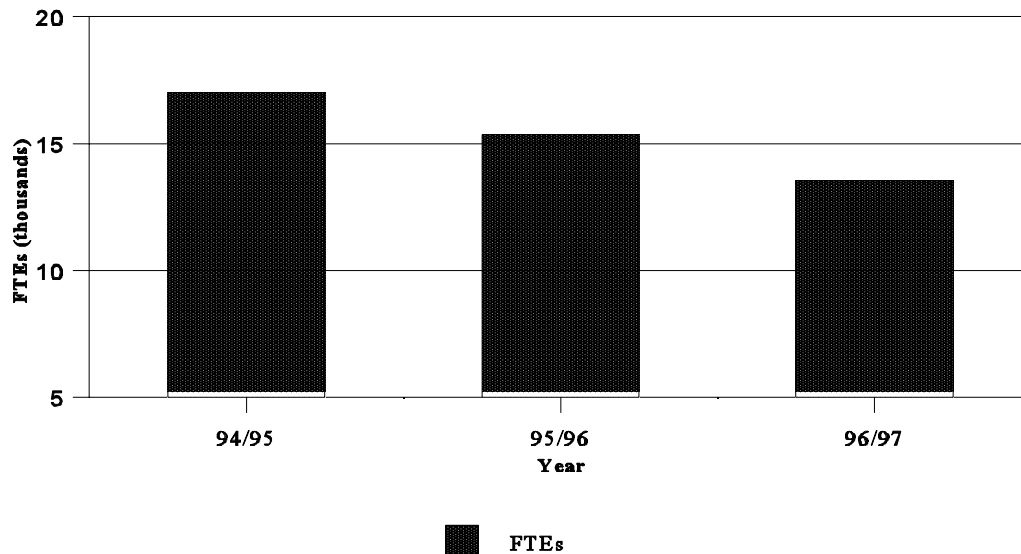
demand for PWGSC to manage the very real implications that the attendant changes have had for people and the operations of the Department.

**Accomplishments of the Corporate Management Business Line**

□ **Meeting Reduction Targets**

At just past the half-way mark of Program Review implementation, the Department is on schedule in achieving its reduction targets. PWGSC experienced one of the largest reductions of Public Service departments, with a decrease of 3,865 in its staff from April 1, 1995 to March 31, 1997. Figure 8 provides a graphic illustration of the dramatic reduction in PWGSC resource levels.

**Figure 8: PWGSC Full Time Equivalent**



□ **Providing New Skills for PWGSC Staff**

PWGSC launched a training study in March

1997. Through a consultative process at various organizational levels in the National Capital and the regions, the study focuses on improving the capability of PWGSC's

training function to respond to changing organizational and business requirements in a timely and cost-effective way.

□ **Renewing PWGSC's Workforce**

As the Program Review implementation period comes closer to the end, the focus is shifting towards the renewal of the Department. During 1996-97, extensive effort went into developing the La Relève Action Plan, which was submitted to the Privy Council Office at the end of March. The initiatives proposed in the PWGSC Action Plan encompass renewal efforts for the entire Department and address four critical areas:

- preparing employees to meet future business needs;
- providing leadership through communications;
- fostering ethics, pride and recognition in departmental activities; and
- promoting accountability of managers to make changes happen.

**C. KEY REVIEWS**

□ **Evaluation of Common Purpose Procurement**

This evaluation included a number of studies that evaluated a pilot methodology for the procurement of complex systems development projects known as Common Purpose Procurement. The evaluation served as a foundation for the recent Treasury Board Framework for the Management of IM/IT projects. Key elements of this foundation that were drawn from the evaluation included a risk management framework for IT projects, an analysis of the partnership concept as it applies to government contracting, and the concept document for a project management process engineered to take advantage of the lessons learned, called Benefits Driven Procurement.

□ **Evaluation of the Open Bidding Policy**

This evaluation, involving extensive consultations with stakeholders within government and in the private sector, determined that the objectives and anticipated outcomes of Open Bidding has been most successful in addressing the issues of fairness, transparency, and access in federal government procurement. The evaluation identified areas for improvement with respect to Open Bidding's impact on competitiveness, value for money, efficiency/economy and service. The results of this evaluation have contributed to extensive discussions between PWGSC and TBS about the objectives of Open Bidding and the respective priority attached to each of these objectives; and selection of a new Open Bidding Service successor system by highlighting the needs of stakeholders with respect to system and process costs and the need for user friendly software. These discussions have also led to a commitment by PWGSC to continue to maintain close communication with suppliers and industry organizations, with particular efforts devoted to building a stronger rapport with small business.

□ **Evaluation of the Effectiveness of Standing Offers as a Method of Supply**

This evaluation identified the need for a management and delivery framework to guide the appropriate application of this method of supply; service standards, identification of key performance measures to systematically monitor and report on the efficiency of operation, value-added of PWGSC resource commitment and demonstrable benefits to the Crown of using Standing Offers. In response to this evaluation, PWGSC has committed to developing a commodity-management framework to facilitate the management and delivery of not only standing offers but other methods of supply. Performance indicators

and standards will be developed to evaluate the effectiveness of the commodity-management framework and related method of supply processes.

□ **Evaluation of Temporary Help Services**

The evaluation indicated that clients are satisfied with the services provided by the temporary help suppliers and that these suppliers provided effective temporary personnel services to the federal government. In addition, clients and users surveyed across Canada indicated their general satisfaction with the services provided by PWGSC regarding the administration of the Temporary Help Services Program. The evaluation found no evidence, however, that the use of standing offers for the acquisition of temporary help is the most cost-effective procurement method for temporary help services. On the basis of the findings of this evaluation, TBS committed to a broad horizontal review to assess the effectiveness of the Temporary Help policy and its implementation, with the intent of clarifying policy objectives and the respective roles of PWGSC, client departments and the TBS in the management and administration of Temporary Help Services.

□ **Review of Client Satisfaction with Space Consolidation**

This review concerned the Citizenship and Immigration Canada (CIC) Consolidation Project which was part of the largest and most complex building refit, office space redesign and space consolidation program ever carried out by PWGSC. It entailed the centralization of CIC's headquarters operations from twelve separate locations in the National Capital Area into one—the Journal Towers Complex in downtown Ottawa. It affected more than 80 CIC managers and 1,200 staff, four other federal government departments and more than 6,500 employees. Because of careful planning, a minimum amount of modification to the Journal Towers Complex was necessary when the new occupants moved in. Further, costs were estimated to be 35 percent lower than for previous refits, and high levels of client satisfaction were achieved. The review identified a number of key success factors including: innovative design; client involvement; the right people and teamwork; senior management commitment; and cost-consciousness. These key success factors have now been integrated into a framework for the management of future space consolidation projects by PWGSC.

## SECTION IV: SUPPLEMENTARY INFORMATION

### A. FINANCIAL SUMMARY TABLES

#### SPENDING AUTHORITIES

#### AUTHORITIES FOR 1996-97 - PART II OF THE ESTIMATES

**FIGURE 9: FINANCIAL REQUIREMENTS BY AUTHORITY**

Vote (millions of dollars)	1996-97 Main Estimates	1996-97 Total Authorities (1)	1996-97 Actual
<b><i>Program</i></b>			
<b><i>Real Property Services Program</i></b>			
1 Operating expenditures	888.9	889.4	879.5
2 Real Property Disposition Revolving Fund - To repeal Public Works and Government Services Vote 2b, Appropriation Act No. 4, 1995-96	--	--	--
5 Capital expenditures	278.6	291.0	290.0
10 Real Property Services Revolving Fund-Activities in support of Broader Government Objectives	2.6	2.6	2.6
(S) Contribution to employee benefit plans	1.9	2.0	2.0
(S) Real Property Services Revolving Fund	(19.7)	394.9	20.5
(S) Grants to municipalities and other taxing authorities	425.6	401.5	401.5
(S) Private sector collection agency fees	--	--	--
(S) Refunds of amounts credited to revenues in previous years	--	0.4	0.4
(S) Spending of proceeds from the disposal of surplus Crown assets	--	2.3	1.6
(S) Real Property Disposition Revolving Fund	--	5.0	(36.2)
<b><i>Total Program</i></b>	<b>1,577.8</b>	<b>1,989.2</b>	<b>1,561.9</b>
<b><i>Supply and Services Program</i></b>			
14 To Adjust the accounts of the Translation Bureau Revolving Fund downwards by an amount of \$16,660,000 representing operating forecast losses incurred during the three-year transition period towards self-sufficiency	--	--	--
15 Program expenditures	428.3	477.2	467.6
16 Canada Communication Group - To amend sub-section 5.3(1) of the Revolving Funds Act	--	--	--
17 Optional Services Revolving Fund - To amend sub-sections 5.5(1) and 5.5(3) of the Revolving Funds Act	--	--	--
18 To amend section 5.6 of the Revolving Funds Act	--	--	--
19 To repeal Supply and Services votes 12c, 13c and 14c, Appropriation Act No. 4, 1991-92	--	--	--
(S) Minister of Public Works and Government Services - Salary and motor car allowance	--	--	--
(S) Contributions to employee benefit plans	36.0	37.4	37.4
(S) Optional Services Revolving Fund	--	155.7	(1.6)



**FIGURE 9: FINANCIAL REQUIREMENTS BY AUTHORITY (CONT'D)**

Vote (millions of dollars)	1996-97 Main Estimates	1996-97 Total Authorities (1)	1996-97 Actual
<b>Program</b>			
(S) Canada Communication Group Revolving Fund	--	83.0	22.4
(S) Consulting and Audit Canada Revolving Fund	(0.7)	6.0	(0.2)
(S) Government Telecommunications and Informatics Services Revolving Fund	--	87.8	12.6
(S) Translation Bureau Revolving Fund	7.5	82.4	10.2
(S) Defence Production Revolving Fund	--	100.0	--
(S) Private Sector collection agency fees	--	--	--
(S) Spending of proceeds from the disposal of surplus Crown assets	--	1.2	0.8
<b>Total Program</b>	<b>471.1</b>	<b>1,030.7</b>	<b>549.3</b>
<b>Crown Corporations Program</b>			
20 Payments to Old Port of Montreal Corporation Inc.	3.0	3.8	3.8
25 Payments to Queens Quay West Land Corporation	6.5	6.7	6.7
<b>Total Program</b>	<b>9.5</b>	<b>10.5</b>	<b>10.5</b>
<b>TOTAL DEPARTMENT</b>	<b>2,058.4</b>	<b>3,030.4</b>	<b>2,121.6</b>

Totals may not add up due to rounding

**Note**

1. Main Estimates plus Supplementary Estimates plus other authorities.

**REVENUES**

**FIGURE 10: REVENUES TO THE CONSOLIDATED REVENUE FUND BY PROGRAM**

(millions of dollars)	Actual	Actual	Planned	Actual
<b><u>PROGRAM</u></b>	1994-95	1995-96	1996-97	1996-97
<b><u>REAL PROPERTY SERVICES</u></b>				
Rentals and Concessions	0.1	0.7	0.1	0.2
Sales of Real Properties	33.2	23.6	56.6	13.6
Reimbursement of Municipal Grants from Montreal Airports	20.9	11.4	22.2	16.2
Dry Docks	2.1	2.1	4.0	4.4
Interest on Loans	0.3	0.3	0.3	0.1
Refund of Previous Year's Expenses	12.1	4.3	--	1.8
Adjustment to Payable at Year End	5.8	7.3	--	9.2
Goods and Services Tax	12.3	7.4	12.0	4.1
Other	1.3	18.9	2.0	2.6
<b>Total Program</b>	<b>88.1</b>	<b>76.2</b>	<b>97.2</b>	<b>52.3</b>
<b><u>SUPPLY AND SERVICES</u></b>				
Goods and Services Tax	3.1	4.0	3.5	7.2
Return on Investments				
- Royal Canadian Mint				
Interests	0.3	--	--	--
Dividends	5.0	--	--	--
- Canada Post Corporation				
Interests	7.8	7.8	7.8	7.8
Dividends	--	--	--	10.0
- Canada Lands Company: Share Redemption	--	--	--	10.9
Refunds of Previous Year's Expenditures	25.0	(0.6)	--	0.6
Service Fees - Access to Information Fees	--	--	--	--
Proceeds from Disposal of Surplus Crown Assets	0.3	1.3	--	0.8
Miscellaneous Non-tax Revenues				
Conscience Money	--	--	--	--
Donations to the Crown	0.5	0.3	--	0.3
Seized Properties	--	--	--	10.0
Management and Operational Services Sector	--	--	--	5.1
Other	9.3	8.3	4.9	1.1
<b>Total Program</b>	<b>51.2</b>	<b>21.0</b>	<b>16.2</b>	<b>53.8</b>
<b><u>CROWN CORPORATIONS</u></b>				
Old Port of Montreal Corporation Inc.				
Rentals and Concessions	0.1	0.1	0.1	0.2
Parking Fees	0.3	0.3	0.3	0.1
Other	--	--	--	--
<b>Total Program</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.3</b>
<b>TOTAL DEPARTMENT</b>	<b>139.7</b>	<b>97.6</b>	<b>113.8</b>	<b>106.3</b>

Totals may not add up due to rounding

**REVENUES**

**FIGURE 11: REVENUES TO THE VOTES AND REVOLVING FUNDS BY BUSINESS LINE AND MAJOR PRODUCT**

(millions of dollars)	Actual	Actual	Planned	Actual
<b>PROGRAM</b>	1994-95	1995-96	1996-97	1996-97
<b>Business Line</b>				
Sub-Activity				
<b><u>REAL PROPERTY SERVICES</u></b>				
<b>Real Property Services</b>				
Federal Accommodation				
Rentals and Concessions	266.2	262.9	239.3	267.4
Federal Holdings				
Rentals	24.1	26.0	24.8	17.9
Program Coordination				
Ministerial regional offices	--	1.9	1.1	1.8
	290.3	290.8	265.2	287.1
Services				
- Real Property Services Revolving Fund				
Recoveries of disbursements on behalf of clients	2,745.8	2,507.3	2,150.0	2,312.0
Fee revenues from real property related common services	439.1	390.6	376.0	351.2
	3,184.8	2,897.9	2,526.0	2,663.2
- Real Property Disposition Revolving Fund				
Sales of real properties	--	--	--	41.9
	3,184.8	2,897.9	2,526.0	2,705.1
<b>Total Program/Business Line</b>	<b>3,475.1</b>	<b>3,188.6</b>	<b>2,791.2</b>	<b>2,992.2</b>
<b><u>SUPPLY AND SERVICES</u></b>				
<b>Supply Operations Service</b>				
Supply - Vote				
Major Crown Projects	25.5	20.5	16.5	13.7
Acquisitions	9.0	8.1	3.9	7.6
Others	3.4	4.3	3.7	2.9
	37.9	33.0	24.0	24.2
Other Central Government Services	--	0.2	0.3	0.1
Supply - Revolving Fund				
Traffic	32.0	28.8	38.2	31.9
Software Brokerage/Benchmarking	1.7	2.8	--	2.4
Stocked Item Supply	86.8	32.5	--	--
Locally Shared Support Services	--	--	--	7.7
Others	--	7.0	7.0	2.7
	120.5	71.1	45.2	44.8
Public Relations and Print Contract Services				
Exposition Services	14.7	6.8	9.3	4.6
Audio-Visual Services	23.5	13.8	17.6	9.9
Contracting and Others	77.2	28.5	21.0	12.8
	115.3	49.0	47.9	27.3
Crown Assets Distribution	9.6	10.8	9.6	18.3
<b>Total Business Line</b>	<b>283.3</b>	<b>164.0</b>	<b>127.0</b>	<b>114.7</b>

**FIGURE 11: REVENUES TO THE VOTES AND REVOLVING FUNDS BY BUSINESS LINE AND MAJOR PRODUCT (CONT'D)**

(millions of dollars)	Actual 1994-95	Actual 1995-96	Planned 1996-97	Actual 1996-97
<b>PROGRAM</b>				
<b>Business Line</b>				
Sub-Activity				
<b>Government Operational Service</b>				
Receiver General				
Payment Services	21.0	20.2	18.8	18.0
Public Service Compensation				
Compensation Services	8.5	7.5	3.5	8.2
Other Central Government Services				
FINCON	2.7	2.2	2.0	2.2
Personnel Application	2.9	2.8	1.3	2.3
Others	0.6	0.5	0.6	0.5
	6.2	5.5	3.9	5.0
Total Business Line	35.7	33.3	26.2	31.1
<b>Government Telecommunications and Informatics Services</b>				
Revolving Fund				
Telecommunications Revenue	202.7	198.5	181.4	191.7
Informatics and Others	110.5	174.6	133.5	175.0
Total Business Line	313.3	373.1	314.9	366.7
<b>Canada Communication Group</b>				
Revolving Fund				
Printing and Publishing Services	126.8	101.3	150.1	99.3
<b>Consulting and Audit Canada</b>				
Revolving Fund				
Consulting and Auditing Services	64.6	60.9	50.5	75.1
<b>Translation Bureau</b>				
Vote				
Translation Services	10.6	--	--	--
Interpretation Services	--	1.9	--	--
	10.6	1.9	--	--
Revolving Fund				
Translation Services	--	73.7	83.0	99.0
Interpretation Services	--	--	--	1.4
Terminology Services	--	--	--	0.5
	--	73.7	83.0	100.9
Total Business Line	10.6	75.6	83.0	100.9
<b>Corporate Management</b>				
Internal recoveries and others	108.7	116.7	102.8	111.8
<b>Total Program</b>	<b>942.9</b>	<b>924.9</b>	<b>854.5</b>	<b>899.6</b>
<b>TOTAL DEPARTMENT</b>	<b>4,418.1</b>	<b>4,113.6</b>	<b>3,645.7</b>	<b>3,891.8</b>

Totals may not add up due to rounding

**CAPITAL EXPENDITURES**

**FIGURE 12: CAPITAL EXPENDITURES BY BUSINESS LINE**

(millions of dollars)	Actual	Actual	Planned	Actual
<b><u>PROGRAM</u></b>	1994-95	1995-96	1996-97	1996-97
<b>Business Line</b>				
Activity				
<b><u>REAL PROPERTY SERVICES</u></b>				
<b>Real Property Services</b>				
Federal Accommodation	195.8	176.6	241.7	256.8
Federal Holdings	38.1	51.6	37.0	33.2
<b>Total Program/Business Line</b>	233.9	228.2	278.6	290.0
<b>TOTAL DEPARTMENT</b>	<b>233.9</b>	<b>228.2</b>	<b>278.6</b>	<b>290.0</b>

Totals may not add up due to rounding

**FIGURE 13: CAPITAL PROJECT EXPENDITURES BY BUSINESS LINE**

(thousands of dollars)	Actual	Actual	Planned	Actual
<b>PROGRAM</b>	1994-95	1995-96	1996-97	1996-97
<b>Business Line</b>				
<i>Activity</i>				
Major Capital Projects with estimated total project costs in excess of \$1 million and listed in Part III of the 1996-97 Main Estimates.				
<b>REAL PROPERTY SERVICES</b>				
<b>Real Property Services</b>				
<i>Federal Accommodation</i>				
PRINCE EDWARD ISLAND				
Charlottetown - Dominion Government of Canada Building (GOCB) - Renovation	57	313	2,000	389
NOVA SCOTIA				
Truro - GOCB - Renovation	1	4	2,986	62
Amherst - GOCB - Renovation	19	100	977	--
Halifax - Sir John Thompson Building - Addition	108	--	3,027	--
NEW BRUNSWICK				
Saint John - Customs Building - Renovation	774	2,296	1,596	1,042
Moncton - Notre Dame D'Acadie - Renovation	--	107	2,580	18
NEWFOUNDLAND				
St. John's - GOCB - Acquisition	9,238	73	3,636	--
St. John's - Tax Data Centre - Renovation	--	9	1,150	6
QUEBEC				
Sherbrooke - 50 Place de la Cité - Renovation	1,389	2,491	5,042	6,576
Montreal - 305 René Lévesque - Renovation	--	--	350	--
Quebec - 330 Gare du Palais - Renovation	471	1,612	2,100	1,398
Montreal - 400 Place d'Youville - Renovation	1,885	66	1,320	30
Montreal - 685 Cathcart - Renovation	--	--	1,379	--
Montreal - 1441 St. Urbain - Renovation	--	--	3,000	--
Montreal - Complexe Guy-Favreau - Renovation	--	--	1,500	--
Montreal - 740 Bel-Air - Renovation	--	--	1,985	15
St. Laurent - 3155 Côte de Liesse - Renovation	--	--	3,000	220
NATIONAL CAPITAL REGION (QUEBEC)				
Hull - Place du Portage, Phase IV, Fire Alarm - Renovation	--	381	1,750	2,621
Hull - Place du Portage, Phases I & II, Stairwell - Renovation	596	861	1,584	1,121
Hull - Laurier Taché Garage - Renovation	1,892	884	300	2,484
Gatineau - National Archives - Construction	9,100	29,212	16,000	11,067
Hull - Central Heating Plant (CHP) Printing Bureau - Renovation	388	541	2,390	1,138

**FIGURE 13: CAPITAL PROJECT EXPENDITURES BY BUSINESS LINE (CONT'D)**

(thousands of dollars)	Actual	Actual	Planned	Actual
<b>PROGRAM</b>	1994-95	1995-96	1996-97	1996-97
<b>Business Line</b>				
<i>Activity</i>				
<b>NATIONAL CAPITAL REGION (ONTARIO)</b>				
Ottawa - L.B. Pearson Building - Asbestos Removal	50	1,204	1,132	65
Ottawa - Sir John Carling Building - Renovation	--	--	2,000	242
Ottawa - CHP Heron Road - Renovation	--	130	3,141	217
Ottawa - Cliff Street - Renovation	700	3,963	1,329	1,120
Ottawa - Supreme Court Building - Renovation	10,671	4,099	2,654	1,828
Ottawa - CHP Tunney's - Renovation	--	--	1,336	1,331
Ottawa - National Library/Public Archives Building - Renovation	2,247	350	4,400	973
<b>PARLIAMENTARY PRECINCT</b>				
Ottawa - Acquisition of U.S. Chancellery	75	62	4,659	4,521
Ottawa - Wellington Building - Renovation	475	1,099	15	122
Ottawa - Peace Tower - Renovation	2,659	4,306	1,804	1,992
Ottawa - East Block - Renovation	49	60	5,500	2,205
Ottawa - Confederation Building - Renovation	--	--	2,622	271
Ottawa - North Wall Parliament Hill - Masonry Work	710	438	1,006	205
Ottawa - Centre Block - Emergency Masonry	1,068	1,382	1,692	1,717
Ottawa - Centre Block South Facade - Masonry	1,138	1,940	7,500	11,365
<b>ONTARIO</b>				
Sault Ste Marie - New GOCB - Construction	1,436	2,327	6,177	7,153
Thunder Bay - 33 South Court - Renovation	251	2,263	85	140
Guelph - GOCB - Renovation	--	6	1,000	6
Kitchener - GOCB, 15 Duke St. - Renovation	26	19	1,164	57
<b>MANITOBA</b>				
Winnipeg - Taxation Data Centre - Renovation	--	841	3,500	2,399
<b>BRITISH COLUMBIA</b>				
Kamloops - Federal Building - Addition	--	--	1,000	71
Victoria - New Federal Building - Addition	16	34	3,097	3,171
Kelowna - GOCB - Renovation	1,809	1,991	187	263
West Vancouver - Pacific Environment Centre - Construction	10	--	10,500	--
<b>Total Federal Accommodation</b>	<b>49,308</b>	<b>65,463</b>	<b>127,152</b>	<b>69,619</b>

**FIGURE 13: CAPITAL PROJECT EXPENDITURES BY BUSINESS LINE (CONT'D)**

(thousands of dollars)	Actual	Actual	Planned	Actual
<b>PROGRAM</b>	1994-95	1995-96	1996-97	1996-97
<b>Business Line</b>				
<i>Activity</i>				
<i>Federal Holdings</i>				
QUEBEC				
Matane - Wharf renovation	1,981	4,114	850	919
Quebec - 55 Quais - Renovation	397	189	2,750	2,502
Rigaud - Customs College - Renovation	--	--	400	77
Lauzon - Dry Dock Champlain - Repair	--	--	900	--
Trois Rivières - Parc portuaire - Renovation	--	47	2,265	143
NATIONAL CAPITAL REGION (ONTARIO)				
Ottawa Conference Centre - Masonry	41	1,186	1,224	1,369
MANITOBA				
Lockport - St Andrews Lock&Dam - Renovation	3,127	5,000	1,900	2,112
BRITISH COLUMBIA				
Various - Alaska Highway - Reconstruction	22,870	20,349	20,500	16,815
<b>Total Federal Holdings</b>	<b>28,416</b>	<b>30,885</b>	<b>30,789</b>	<b>23,937</b>
<b>Total spending on capital projects listed above</b>	<b>77,724</b>	<b>96,348</b>	<b>157,941</b>	<b>93,556</b>



**TRANSFER PAYMENTS**

**FIGURE 14: TRANSFER PAYMENTS BY BUSINESS LINE**

(millions of dollars)	Actual	Actual	Planned	Actual
<b>PROGRAM</b>	1994-95	1995-96	1996-97	1996-97
<b>Business Line</b>				
<b><u>REAL PROPERTY SERVICES</u></b>				
<b>Real Property Services</b>				
GRANTS				
<i>Grants to Municipalities and Other Taxing Authorities</i>	408.2	398.0	425.6	401.5
CONTRIBUTIONS				
<i>Canadian Standards Association</i>	--	--	--	--
<i>Government of New Brunswick</i>	--	4.0	--	--
<i>Regional Municipality of Ottawa-Carleton</i>	--	--	--	20.0
<b>Sub-total Contributions</b>	--	4.0	--	20.0
<b>Total Program/Business Line</b>	<b>408.2</b>	<b>402.0</b>	<b>425.6</b>	<b>421.6</b>
<b>Totals may not add up due to rounding</b>				

**LOANS, INVESTMENTS AND ADVANCES**

**FIGURE 15: LOANS AND INVESTMENTS BY PROGRAM**

(millions of dollars)	Actual	Actual	Planned	Actual
<b><u>PROGRAM</u></b>	1994-95	1995-96	1996-97	1996-97
<b><u>SUPPLY AND SERVICES</u></b>				
Royal Canadian Mint	42.8	40.2	40.1	40.1
Canada Post Corporation	80.0	80.0	80.0	80.0
Defence Production Loan Account	1.7	--	--	--
Seized Property Working Capital Account	1.4	0.7	1.0	2.6
<b>Total Program</b>	126.0	120.9	121.1	122.7
<b><u>CROWN CORPORATIONS</u></b>				
Queens Quay West Land Corporation	45.8	45.8	45.8	45.8
<b>Total Program</b>	45.8	45.8	45.8	45.8
<b>TOTAL DEPARTMENT</b>	<b>171.8</b>	<b>166.7</b>	<b>166.9</b>	<b>168.5</b>

Totals may not add up due to rounding

REVOLVING FUND - USE OF FINANCIAL AUTHORITIES

FIGURE 16: REAL PROPERTY SERVICES REVOLVING FUND

(millions of dollars)	Actual 1994-95	Actual 1995-96	Planned 1996-97	Actual 1996-97
Revenues	439.1	390.6	376.0	351.2
Expenses	500.4	425.3	360.9	374.0
<b>Surplus or (Deficit)</b>	<b>(61.3)</b>	<b>(34.8)</b>	<b>15.1</b>	<b>(22.8)</b>
<b>Operating Activities</b>				
(Surplus) Deficit	61.3	34.8	(15.1)	22.8
Less items not requiring use of funds				
Amortization	8.4	7.9	7.7	7.0
Provision for compensation	30.3	18.4	0.5	23.5
Provision for employee termination benefits	5.5	5.4	2.1	(1.9)
Sub-total	17.2	3.1	(25.3)	(5.7)
Working capital change	(28.0)	6.6	(7.4)	(14.5)
Payments on and change in allowance for compensation	17.0	16.9	--	38.0
Payments on and change in provision for employee termination benefits	2.2	11.5	10.0	5.5
Net financial resources (provided by) used in operating activities	8.4	38.0	(22.7)	23.3
<b>Investing Activities</b>				
Capital assets				
Net Acquisitions	1.9	2.4	5.6	4.0
Transfers to Supply and Services Program	(22.3)	--	--	(4.2)
Net financial resources (provided by) used in investing activities	(20.3)	2.4	5.6	(0.2)
<b>Financing Activities</b>				
Net assets transferred from the former Corporate and Administrative Services	17.0	--	--	--
Recoveries from annual appropriation	(21.3)	(3.1)	(2.6)	(2.6)
Net financial resources (provided by) used in financing activities	(4.3)	(3.1)	(2.6)	(2.6)
<b>Authority (provided) used in current year</b>	<b>(16.2)</b>	<b>37.4</b>	<b>(19.7)</b>	<b>20.5</b>
<b>Net authority (provided) used at start of year</b>	<b>33.9</b>	<b>17.7</b>	<b>55.1</b>	<b>55.1</b>
<b>Net authority (provided) used at end of year</b>	<b>17.7</b>	<b>55.1</b>	<b>35.3</b>	<b>75.5</b>
Authority Limit	450.0	450.0	450.0	450.0
<b>Unused authority carried forward</b>	<b>432.3</b>	<b>394.9</b>	<b>414.7</b>	<b>374.5</b>

Totals may not add up due to rounding

**FIGURE 17: REAL PROPERTY DISPOSITION REVOLVING FUND**

(millions of dollars)	Actual 1994-95	Actual 1995-96	Planned 1996-97	Actual 1996-97
Revenues	--	--	--	41.6
Expenses	--	--	--	3.7
<b>Surplus or (Deficit)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>37.9</b>
<b>Operating Activities</b>				
(Surplus) Deficit	--	--	--	(37.9)
Less items not requiring use of funds				
Amortization	--	--	--	--
Sub-total	--	--	--	(37.9)
Working capital change	--	--	--	1.8
Changes in other assets and liabilities	--	--	--	--
Net financial resources (provided by) used in operating activities	--	--	--	(36.2)
<b>Authority (provided) used in current year</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>(36.2)</b>
Transfer of part of the accumulated surplus to the Accumulated Net Charge Against the Fund's Authority account (1)	--	--	--	32.9
<b>Net authority (provided) used at start of year</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Net authority (provided) used at end of year</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>(3.2)</b>
Authority Limit	--	--	--	5.0
<b>Unused authority carried forward</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>8.2</b>

**Totals may not add up due to rounding**

**Note:**

1. Approved adjustments and/or transfers to the unused authority carried forward.

**FIGURE 18: OPTIONAL SERVICES REVOLVING FUND**

(millions of dollars)	Actual 1994-95	Actual 1995-96	Planned 1996-97	Actual 1996-97
Revenues	251.3	127.6	102.7	87.7
Expenses	276.4	138.8	102.7	85.3
<b>Surplus or (Deficit)</b>	<b>(25.2)</b>	<b>(11.3)</b>	<b>--</b>	<b>2.5</b>
<b>Operating Activities</b>				
(Surplus) Deficit	25.2	11.3	--	(2.5)
Less items not requiring use of funds				
Amortization	1.0	0.9	0.6	0.4
Loss on disposal of capital assets	0.1	1.2	--	--
Provision for employee termination benefits	2.4	1.4	--	--
Sub-total	21.7	7.8	(0.6)	(2.9)
Working capital change	(0.9)	(10.1)	--	0.6
Net financial resources (provided by) used in operating activities	20.8	(2.3)	(0.6)	(2.4)
<b>Investing Activities</b>				
Capital assets				
Acquisitions	0.4	0.8	0.6	0.2
Disposal/Adjustments	(0.1)	(0.1)	--	--
Assumed (net of amortization)	1.3	--	--	--
Sub-total	1.6	0.7	0.6	0.2
Changes in other assets and liabilities	(1.1)	1.9	--	0.6
Net financial resources (provided by) used in investing activities	0.5	2.7	0.6	0.8
<b>Authority (provided) used in current year</b>	<b>21.3</b>	<b>0.3</b>	<b>--</b>	<b>(1.6)</b>
Net assets/(liabilities) assumed (1)	0.6	--	--	--
<b>Net authority (provided) used at start of year</b>	<b>22.0</b>	<b>44.0</b>	<b>44.3</b>	<b>44.3</b>
<b>Net authority (provided) used at end of year</b>	<b>44.0</b>	<b>44.3</b>	<b>44.3</b>	<b>42.7</b>
Authority Limit	200.0	200.0	200.0	200.0
<b>Unused authority carried forward</b>	<b>156.0</b>	<b>155.7</b>	<b>155.7</b>	<b>157.3</b>

Totals may not add up due to rounding

**Note**

1. Certain assets and liabilities related to employee termination benefits (ETB) and unused annual leave (UAL), originally funded from departmental appropriations have been assumed by the Revolving Fund and affected the authority carried forward.

**FIGURE 19: GOVERNMENT TELECOMMUNICATIONS AND INFORMATICS SERVICES REVOLVING FUND**

(millions of dollars)	Actual 1994-95	Actual 1995-96	Planned 1996-97	Actual 1996-97
Revenues	317.9	355.3	314.9	375.2
Expenses	317.4	345.1	311.3	358.7
<b>Surplus or (Deficit)</b>	<b>0.5</b>	<b>10.2</b>	<b>3.6</b>	<b>16.6</b>
<b>Operating Activities</b>				
(Surplus) Deficit	(0.5)	(10.2)	(3.6)	(16.6)
Less items not requiring use of funds				
Amortization of capital assets	2.4	3.8	6.3	6.6
Amortization of deferred charges	0.7	0.7	0.1	0.1
Loss on disposal of capital assets	--	--	--	--
Provision for compensation	6.1	1.2	--	--
Provision for employee termination benefits	0.9	1.4	--	--
Sub-total	(10.6)	(17.4)	(10.0)	(23.4)
Working capital change	4.0	(18.8)	--	11.6
Changes in other assets and liabilities	0.2	7.0	--	0.5
Net financial resources (provided by) used in operating activities	(6.3)	(29.2)	(10.0)	(11.3)
<b>Investing Activities</b>				
Acquisitions	8.8	6.0	10.0	24.0
Assumed by the Fund (net)	2.6	--	--	--
Net financial resources (provided by) used in investing activities	11.4	6.0	10.0	24.0
<b>Authority (provided) used in current year</b>	<b>5.1</b>	<b>(23.2)</b>	<b>--</b>	<b>12.6</b>
Net asset/(liabilities) assumed (1)	(8.2)	2.6	--	--
<b>Net authority (provided) used at start of year</b>	<b>(0.1)</b>	<b>(3.3)</b>	<b>(23.8)</b>	<b>(23.8)</b>
<b>Net authority (provided) used at end of year</b>	<b>(3.3)</b>	<b>(23.8)</b>	<b>(23.8)</b>	<b>(11.2)</b>
Authority Limit	64.0	64.0	64.0	64.0
<b>Unused authority carried forward</b>	<b>67.3</b>	<b>87.8</b>	<b>87.8</b>	<b>75.2</b>

Totals may not add up due to rounding

**Note**

1. Certain assets and liabilities related to employee termination benefits (ETB) and unused annual leave (UAL), originally funded from departmental appropriations have been assumed by the Revolving Fund and affected the authority carried forward.

**FIGURE 20: CANADA COMMUNICATION GROUP REVOLVING FUND**

(millions of dollars)	Actual 1994-95	Actual 1995-96	Planned 1996-97	Actual 1996-97
Revenues	119.6	110.4	150.1	85.5
Expenses	171.1	124.3	148.0	101.9
<b>Surplus or (Deficit)</b>	<b>(51.5)</b>	<b>(13.9)</b>	<b>2.1</b>	<b>(16.4)</b>
<b>Operating Activities</b>				
(Surplus) Deficit	51.5	13.9	(2.1)	16.4
Less items not requiring use of funds				
Amortization	6.1	5.5	2.2	4.1
Loss on disposal of capital assets	2.5	1.6	--	0.1
Sub-total	42.9	6.8	(4.3)	12.2
Changes in current assets and liabilities	11.8	(7.4)	0.5	17.3
Changes in other assets and liabilities	(25.4)	26.8	(1.2)	5.4
Net financial resources (provided by) used in operating activities	29.3	26.3	(5.0)	34.9
<b>Investing Activities</b>				
Capital assets acquisitions	6.0	3.5	4.5	0.5
Proceeds of sales	--	--	--	(4.9)
Net financial resources (provided by) used in investing activities	6.0	3.5	4.5	(4.4)
<b>Financing Activities</b>				
Transfer from PWGSC	--	--	--	(9.8)
Payments and changes in capital lease obligations	(0.6)	(0.2)	0.6	1.8
Net financial resources (provided by) used in financing activities	(0.6)	(0.2)	0.6	(8.0)
<b>Authority (provided) used in current year</b>	<b>34.8</b>	<b>29.6</b>	<b>--</b>	<b>22.4</b>
Transfer from Treasury Board Vote 5 (1)	--	(0.9)	--	(3.0)
Write off of a portion of 1994-95 loss (1)	--	(37.0)	--	--
Contributed Capital (1)	(12.6)	--	--	--
<b>Net authority (provided) used at start of year</b>	<b>6.3</b>	<b>28.4</b>	<b>20.0</b>	<b>20.0</b>
<b>Net authority (provided) used at end of year</b>	<b>28.4</b>	<b>20.0</b>	<b>20.0</b>	<b>39.5</b>
Authority Limit	100.0	100.0	100.0	100.0
<b>Unused authority carried forward</b>	<b>71.6</b>	<b>80.0</b>	<b>80.0</b>	<b>60.5</b>

Totals may not add up due to rounding

**Note:**

1. Approved adjustments and/or transfers to the unused authority carried forward.

**FIGURE 21: CONSULTING AND AUDIT CANADA REVOLVING FUND**

(millions of dollars)	Actual 1994-95	Actual 1995-96	Planned 1996-97	Actual 1996-97
Revenues	62.9	59.7	50.5	75.2
Expenses	66.7	61.8	50.7	73.6
<b>Surplus or (Deficit)</b>	<b>(3.8)</b>	<b>(2.1)</b>	<b>(0.2)</b>	<b>1.6</b>
<b>Operating Activities</b>				
(Surplus) Deficit	3.8	2.1	0.2	(1.6)
Less items not requiring use of funds				
Amortization	1.0	1.4	0.9	0.9
Loss on disposal of capital assets	0.2	0.2	--	--
Provision for employee termination benefits	0.6	0.2	0.4	0.2
Sub-total	1.9	0.3	(1.0)	(2.7)
Changes in other assets and liabilities	(0.5)	1.4	--	1.6
Net financial resources (provided by) used in operating activities	1.4	1.7	(1.0)	(1.1)
<b>Investing Activities</b>				
Capital assets acquisitions	0.4	0.5	0.3	0.9
Capital assets disposals	--	--	--	--
Net financial resources (provided by) used in investing activities	0.3	0.5	0.3	0.9
<b>Authority (provided) used in current year</b>	<b>1.7</b>	<b>2.2</b>	<b>(0.7)</b>	<b>(0.2)</b>
<b>Net authority (provided) used at start of year</b>	<b>--</b>	<b>21.8</b>	<b>24.0</b>	<b>24.0</b>
<b>Net authority (provided) used at end of year</b>	<b>21.8</b>	<b>24.0</b>	<b>23.3</b>	<b>23.8</b>
Authority Limit	30.0	30.0	30.0	30.0
<b>Unused authority carried forward</b>	<b>8.2</b>	<b>6.0</b>	<b>6.7</b>	<b>6.2</b>

Totals may not add up due to rounding



**FIGURE 22: TRANSLATION BUREAU REVOLVING FUND**

(millions of dollars)	Actual 1994-95	Actual 1995-96	Planned 1996-97	Actual 1996-97
Revenues	--	73.7	83.0	101.0
Expenses	--	88.9	91.4	109.0
<b>Surplus or (Deficit)</b>	<b>--</b>	<b>(15.2)</b>	<b>(8.4)</b>	<b>(8.0)</b>
<b>Operating Activities</b>				
(Surplus) Deficit	--	15.2	8.4	8.0
Less items not requiring use of funds				
Amortization of capital assets	--	1.4	1.6	4.7
Provision for compensation	--	5.6	--	(3.0)
Provision for employee termination benefits	--	0.8	0.8	0.6
Sub-total	--	7.4	6.0	5.6
Changes in working capital	--	(3.7)	--	1.3
Changes in other assets and liabilities	--	0.1	0.7	0.1
Net financial resources (provided by) used in operating activities	--	3.9	6.7	7.1
<b>Investing Activities</b>				
Capital assets				
Acquisitions	--	1.7	0.7	1.2
Assumed by the Fund (net)	--	4.1	--	1.8
Net financial resources (provided by) used in investing activities	--	5.8	0.7	3.1
<b>Authority (provided) used in current year</b>	<b>--</b>	<b>9.6</b>	<b>7.5</b>	<b>10.2</b>
Deletion of net loss (1)	--	(13.6)	--	(11.0)
ETB and UAL received from Treasury Board Vote 5 (1)	--	--	--	(0.4)
Net assets/(liabilities) assumed (2)	--	2.1	--	1.8
Restatement of 1995-96 deletion of net loss (1)	--	--	--	4.0
<b>Net authority (provided) used at start of year</b>	<b>--</b>	<b>--</b>	<b>(1.9)</b>	<b>(1.9)</b>
<b>Net authority (provided) used at end of year</b>	<b>--</b>	<b>(1.9)</b>	<b>5.5</b>	<b>2.8</b>
Authority Limit	--	75.0	75.0	75.0
<b>Unused authority carried forward</b>	<b>--</b>	<b>76.9</b>	<b>69.5</b>	<b>72.2</b>

**Totals may not add up due to rounding**

**Notes**

1. Approved adjustments and/or transfers to the unused authority carried forward.
2. Certain assets and liabilities related to employee termination benefits (ETB) and unused annual leave (UAL), originally funded from departmental appropriations have been assumed by the Revolving Fund and affected the authority carried forward.

**FIGURE 23: DEFENCE PRODUCTION REVOLVING FUND**

(millions of dollars)	Actual 1994-95	Actual 1995-96	Planned 1996-97	Actual 1996-97
Revenues	--	--	--	--
Expenses	--	--	--	--
<b>Surplus or (Deficit)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Operating Activities</b>				
(Surplus) Deficit	--	--	--	--
Less items not requiring use of funds				
Amortization of capital assets	--	--	--	--
Sub-total	--	--	--	--
Working capital change	--	--	--	
Changes in other assets and liabilities	--	--	--	--
Net financial resources (provided by) used in operating activities	--	--	--	--
<b>Authority (provided) used in current year</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Forgiveness of Debt due to Crown from CAE Aircraft Limited (1)	--	(1.7)	--	--
<b>Net authority (provided) used at start of year</b>	<b>1.7</b>	<b>1.7</b>	<b>--</b>	<b>--</b>
<b>Net authority (provided) used at end of year</b>	<b>1.7</b>	<b>--</b>	<b>--</b>	<b>--</b>
Authority Limit	100.0	100.0	100.0	100.0
<b>Unused authority carried forward</b>	<b>98.3</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Totals may not add up due to rounding

**Note:**

1. Approved adjustments and/or transfers to the unused authority carried forward.

**FIGURE 24: CONTINGENT LIABILITIES AND CONTINGENT GAINS**

As of March 31, 1997, contingent liabilities estimated at \$455.9 million were outstanding against, and contingent gains estimated at \$6.4 million were in favour of Public Works and Government Services Canada. These contingent amounts arise from approximately 100 cases of pending or threatened litigation related to contract disputes, damages to property or personal injuries.

While these cases are in various stages of litigation, it is not the policy of the Department to comment on their expected outcomes. They must, however, be recognized as potential liabilities against or gains in favour of, the Crown and are therefore presented for information purposes only.

## **B. LEGISLATION ADMINISTERED BY THE DEPARTMENT**

The Minister of Public Works and Government Services has the responsibility for the following Acts and Regulations:

- Bridges Act - R.S. 1985 c. B-8 (SI/93-138)
- Canadian Arsenals Limited Divestiture Authorization Act - S.C. 1986, c. 20
- Defence Production Act - R.S. 1985 c. D-1
- Dry Docks Subsidies Act - R.S. 1985, c. D-4 (SI/93-138)
- Expropriation Act - R.S. 1985, c. E-21 (SI/93-138)
- Federal District Commission to have acquired certain lands, An Act to confirm the authority of the - S.C. 1979, c. 7 (SI/93-138)
- Garnishment, Attachment and Pension Diversion Act - R.S. 1985, c. G-2 (Certain provisions of Part II)
- Government Property Traffic Act - R.S. 1985, c. G-6 (SI/93-138)
- Kingsmere Park Act - R.S.C. 1952, c. 161 (SI/93-138)
- Municipal Grants Act - R.S. 1985, c. M-13 (SI/93-138)
- Northumberland Strait Crossing Act - S.C. 1993, c. 43 (SI/93-138)
- Ottawa River, an Act respecting certain works - S.C. 1870, c. 24 (SI/93-138)
- Public Works and Government Services Act, Department of - S.C. 1996, c. 16
- Seized Property Management Act - S.C. 1993, c. 37
- Statutes Act, Publication of - R.S. c. S-21
- Surplus Crown Assets Act - R.S. 1985, c. S-27
- Translation Bureau Act - R.S. 1985, c. T-16 (SI/93-113)

## **C. CONTACT FOR FURTHER INFORMATION**

Joan Catterson  
Director General  
Corporate Policy and Planning Sector  
(819) 956-1711