



# Report of the Auditor General of Québec to the National Assembly for 2017-2018

Special Audit (Part 2)

Ministère des Transports,  
de la Mobilité durable et de l'Électrification  
des transports: Contract Management

Highlights

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**Courtesy Translation**

The original version, published in French, takes precedence.

## Highlights

### Work Objectives

This special audit was conducted following a request by the Conseil du trésor made on May 24, 2016.

The results of this audit are published in two separate reports. This report contains the results of our analysis regarding the second objective of the audit. We wanted to obtain the assurance that the Ministère des Transports, de la Mobilité durable et de l'Électrification des transports (MTMDET) manages its contract management process in accordance with the rules in effect and sound management practices, so as to ensure its integrity and encourage its efficiency and economy.

The first report, presented to the National Assembly on March 22, 2017, presents our conclusions regarding the mechanisms implemented by the Department to ensure good governance of activities associated with its contract management process.

The two reports are available at [www.vgq.qc.ca](http://www.vgq.qc.ca).

### Audit Results

The following are the principal findings of our audit concerning contract management at the MTMDET with respect to the second objective of the audit.

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**The size of the contracts granted to external firms, in the context of the Department remaining vulnerable from an expertise standpoint, raises concerns with regard to the MTMDET's ability to properly supervise these firms.** This is especially important considering that the Department entrusts external firms with responsibilities such as the development of plans and specifications and site supervision.

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**For the construction contracts and professional service contracts we audited, the estimates were not made with the necessary rigour.** Furthermore, for construction contracts, when the estimate is made by an external firm, the Department has not shown that it ensures the quality of the firm's work.

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**For most of the audited amendments resulting in additional expenditures, the required authorizations were not obtained before the work started.**

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**The Department does not ensure that objectives related to task order contract programs are achieved, that is, that contracts are fairly distributed between firms and that more small firms can participate.** In addition, these programs create situations in which the Department risks paying more for the services it receives.

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**For contracts awarded in emergency situations, problems regarding cost control and significant delays between the start of work and the signing of the contract were observed.**

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**The analyses performed by the Department to gain an understanding of the markets are not sufficiently in-depth for it to be able to adapt its intervention strategies to encourage more competition.** For 11 of the 17 audited contracts for which only one submitted tender was in conformity, the justification for proceeding with the signing of the contract with the supplier was not sufficient.

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**The Department does not always publish in the electronic call for tenders system the information required by regulation in a timely manner.** For 24 of the 95 audited contracts, there were sometimes significant delays in publishing. For example, the additional expenses for 9 contracts were published with delays ranging from 16 to 381 days.

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## Recommendations

The Auditor General has made recommendations to the MTMDET. They are all shown to the right.

The audited entity had the opportunity to comment on the report; its comments can be found in the *Commentaires de l'entité auditée* Section.

We want to point out that it accepted all the recommendations.

### Recommendations to the Department

- 1** Produce a rigorous estimate of the costs of each contract to ensure that the price tendered is fair and reasonable and that public funds are ultimately used properly.
  - 2** Properly supervise the work entrusted to external firms, in particular for the development of plans and specifications (estimate of contract costs) and site supervision (management of additional expenditures), to guarantee the integrity of the contract management process.
  - 3** Obtain authorization for amendments before the work is started.
  - 4** Manage task order contract programs so as to ensure the achievement of objectives and good use of public funds.
  - 5** Properly manage contracts awarded in emergency situations, particularly to ensure better cost control and the timely signing of contracts.
  - 6** Perform more in-depth analyses to gain an understanding of the markets in order to adapt its intervention strategies to encourage more competition and fewer situations in which only one tender in conformity is received.
  - 7** Publish the information required by regulation in the government's electronic call for tenders system in a timely manner.
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