

PROVINCE OF BRITISH COLUMBIA

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Fourth Annual Report of the Purchasing Commission

January 1st, 1946, to December 31st, 1946



VICTORIA, B.C. :

Printed by DON McDIARMID, Printer to the King's Most Excellent Majesty.
1947.

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Purchasing Commission

January 1st, 1946 to December 31st, 1945



VICTORIA, B.C., January 10th, 1947.

To His Honour C. A. BANKS,
Lieutenant-Governor of the Province of British Columbia.

MAY IT PLEASE YOUR HONOUR:

Herewith I beg respectfully to submit the Annual Report of the Purchasing Commission of the Department of Finance for the period January 1st, 1946, to December 31st, 1946.

H. ANSCOMB,
Minister of Finance.

The Honourable Herbert Anscomb,
Minister of Finance, Victoria, B.C.

SIR,—We have the honour to submit the Fourth Annual Report of the Purchasing Commission, covering the period January 1st, 1946, to December 31st, 1946.

C. B. PETERSON,
Chairman.

E. W. GRIFFITH,
Member.

J. M. STEWART,
Member.

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY
540 EAST 57TH STREET
CHICAGO, ILLINOIS 60637
TEL: 773-936-3700
FAX: 773-936-3701
WWW: WWW.CHEM.UCHICAGO.EDU

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Fourth Annual Report *of the* Purchasing Commission for the Period January 1st, 1946, to December 31st, 1946.

It has been necessary each year, when presenting the annual report of the Purchasing Commission, to refer to the conditions governing the purchase of supplies, especially those influenced by war-time scarcity. In the Annual Report, 1945, although the war was over, reference was made to the unusual conditions and restrictions under which operations were conducted, and many of these still prevail. Federal control of price and supply still persists; and, in certain instances, even on contracts, the Commission has found it necessary to allow an increase to agree with the Federal ceiling price. At various times throughout the year the Wartime Prices and Trade Board allowed increases in prices affecting contracts of Government institutions, notably for coal-supplies, clothing, etc.

A considerable amount of material and equipment, which has been in short supply, continues to be made available to us through War Assets Corporation, from whom daily lists are received as various supplies are declared surplus. Full advantage is being taken of the opportunities thus afforded for making such purchases on favourable terms. The Commission gratefully acknowledges the co-operation received from all officials of War Assets Corporation.

In an endeavour to prevent an undue proportion of the business of the Government falling into the hands of a few, special instructions were issued at the first meeting held in 1946 to so distribute the business that smaller firms might receive greater consideration, provided their prices were reasonable. Special study was given to the distribution of lubricating-oil orders, and, in view of the large volume of business enjoyed by the oil companies in the way of gasoline, etc., instructions were given to distribute lubricating-oil orders to other firms where their products were acceptable and the prices in line.

The policy of purchasing supplies in the locality where they are to be used has been continued, although each case is treated on its own merits. In purchasing crockery for Government institutions, for which large quantities are required, it was found difficult, if not impossible, to obtain the usual English-manufactured china which had been supplied in the past. Therefore an order was placed with a Western Canadian manufacturer with very good results.

It has been said above that Federal control restricts the activities in the competitive field, and, in one instance at least, it defeated our policy of distributing business where prices were the same. The quotas of flour-mills having been reduced, the firms were compelled to refuse new customers, thus making it necessary to award the contracts to the same firms as the year before.

The reserves of coal built up two years ago, both on the Mainland and on the Island, for supply to Government buildings and institutions have been drawn upon to a considerable extent, and it is the intention of the Commission to now use up the remainder, having in mind possible deterioration due to weathering. A certain amount of difficulty in obtaining supplies is still encountered.

During the year 1946 the difficulties of obtaining the necessary replacements and additions to the fleet of Government-owned automobiles and trucks still persisted. While the Commission has been successful in obtaining many of the units on order, there is still a backlog of both cars and trucks which may or may not be delivered within the fiscal year. New cars contracted for, 131 (approximately 60 per cent. received); new trucks contracted for, 95 (approximately 50 per cent. received). Automotive production has not regained its normal output since the war, but the outlook for 1947 seems brighter.

During this past year the situation in regard to the supply of automotive parts has been difficult, and, in a few isolated instances, vehicles have been laid up for want of parts. It has been the policy of the Commission during this period to accept parts where available, waiving the discount, where small dealers were concerned, in favour of obtaining immediate delivery of the parts at the local source. This has also been the case with tires, owing to the scarcity brought about through strikes in the rubber industry. The Commission has found it necessary to accept tires where and when available at retail price from local dealers, although obtaining the discount when tires were purchased through wholesale outlets. This procedure was necessary, otherwise our fleet operations would have suffered to the extent of having many vehicles idle from want of tires. This situation was brought about by the fact that many local tire-dealers declined to supply the Commission with tires owing to the deductions to which the Government is normally entitled. This attitude was understandable in view of the exceptionally heavy demand at full price for any available tires.

Cost data of the operation of all Government cars in service have been maintained.

During the year the Commission disposed of, by auction or advertised sale, forty-two pieces of worn-out automotive equipment for the sum of \$14,801. As the ceiling prices fixed by the Wartime Prices and Trade Board were at all times strictly adhered to, the bidding for these vehicles was keen, and a large number of tenders were invariably received—over a hundred in one instance.

The control over stores, which was established two years ago in the case of the Provincial Police and the institutions at Essondale, New Westminster, and Colquitz, has been maintained and is now being extended to include the Langford warehouse of the Department of Public Works.

STATISTICAL RECORDS.

During 1946 fifty-eight meetings of the Commission were held.

Statistical records were maintained under the following headings which, for information, are recited herewith:—

- A. *Competitive*.—On contract, quotation (written or verbal), or prices awarded on, and governed by, previous quotation.
- B. *Restrictive*.—Specified commodities sold exclusively by a particular manufacturer, wholesaler, jobber, or agent.
- C. *Controlled*.—Includes set prices where no advantage accrues in calling for competitive tenders on commodities sold at controlled prices.
- D. *Non-competitive*.—Requisitions issued without stated prices and controlled by checking or test-checking prices when invoices submitted.
- E. *Retail*.—Includes semi-retail, or where prices are greater than might be secured from manufacturer or wholesaler. (Local purchases.)
- F. *Emergency*.—(1.) Retail. (2.) Other than retail.

Comparative figures for the fiscal years 1943-44, 1944-45, and 1945-46 are set forth hereunder:—

	1943-44.	1944-45.	1945-46.
A. Competitive.....	\$578,555.07	\$1,097,175.70	\$1,069,529.00
B. Restrictive)	1,571,665.96	668,411.90	1,092,897.12
C. Controlled {		359,531.68	569,709.26
D. Non-competitive.....		590,814.43	1,249,539.19
E. Retail.....		66,751.10	77,869.00
F. Emergency.....	422,820.70	286,490.08	386,713.42
War Assets Corporation.....			205,848.70
	\$2,573,041.73	\$3,069,174.89	\$4,652,105.69

The foregoing figures reflect a true picture of present-day conditions governing the purchase of supplies. An analysis reveals that the increase of 50 per cent. over last year in the volume of purchases is due not only to additional supplies and equipment purchased but also to increased prices. A decrease is shown in the "competitive" column of the foregoing figures, due to commodities being increasingly short and competitive prices being difficult to obtain. An increase in the "restrictive" column is shown, being due to the fact that, in many instances, there was only one source of supply. Similar reasons might be given for the large increase in the "non-competitive." The increase in retail purchases reflects the efforts of the Purchasing Commission staff to carry out the policy of the Commission in dealing with smaller firms. The increase in emergency requisitions is due to the authority given to obtain supplies locally when they were available.

OFFICE FURNITURE AND EQUIPMENT.

Many articles of office furniture and equipment are still in short supply, and more furniture is in demand owing to increase in staff in all Departments.

The services of the cabinetmaker and his assistant in Vancouver have been utilized to the fullest extent, although difficulty has been experienced in obtaining lumber and supplies. A great many calls have been made upon their services, not only in the repair of office furniture, but in the construction of cabinets, etc., to the specifications of the Departments concerned.

The price of office furniture and equipment has increased between 40 and 50 per cent., with prices still rising. Inventory records show that the value of office furniture in Government offices is now \$1,154,971. A quantity of furniture and equipment has been purchased from War Assets Corporation at a considerable saving to the Government.

The typewriter repair and maintenance service, which in the past has only served the Mainland, has been extended to include Victoria and Vancouver Island. Two extra typewriter mechanics are now employed servicing machines on the Island, as well as three employed on the Mainland. The personnel of this service may have to be increased, as there are now approximately 2,200 machines to be serviced.

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