

PROVINCE OF BRITISH COLUMBIA

Fifth Annual Report of the
Purchasing Commission

January 1st, 1947, to December 31st, 1947



VICTORIA, B.C. :

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1948.

THE VINEYARD OF THE LORD

THE ANNUAL REPORT OF THE
PURCHASING COMMISSION

FOR THE YEAR 1947



UNITED STATES DEPARTMENT OF AGRICULTURE

VICTORIA, B.C., January 30th, 1948.

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, 1947, to December 31st, 1947.

H. ANSCOMB,

Minister of Finance.

The Honourable Herbert Anscomb,

Minister of Finance, Victoria, B.C.

SIR,—We have the honour to submit the Fifth Annual Report of the Purchasing Commission, covering the period January 1st, 1947, to December 31st, 1947.

C. B. PETERSON,

Chairman.

E. W. GRIFFITH,

Member.

J. M. STEWART,

Member.

January 1914

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Fifth Annual Report of the Purchasing Commission

For the Period January 1st, 1947, to December 31st, 1947.

It has been customary, each year, when presenting the Annual Report of the Purchasing Commission, to comment on the general conditions governing the purchase of supplies. It might be supposed that with war restrictions removed, supplies would be plentiful. There is, however, very little change, although the market may be generally termed as easier. Many articles are still difficult to obtain, but others are easier, so that competition is becoming keener, though far from normal. The normal supplies for Government institutions have been maintained, though at the increased cost. Quotas were removed three months ago and subsidies withdrawn, resulting in increased prices. A prominent example of increase in price, due to withdrawal of subsidy, was met with in the purchase of flour, the increase amounting to almost 100 per cent.

The Commission continued to avail itself of the opportunities created by the War Assets Corporation to obtain materials and supplies on favourable terms. During the year labour unrest at times threatened the normal flow of supplies for Government institutions, notably in the case of meat, but both management and labour co-operated in maintaining vital supplies. The Commission has endeavoured to continue the policy of purchasing supplies in the locality where they are to be used and to distribute the business of the Government as widely as possible, consistent with economy.

Although the removal of Federal control no longest restricts activities in the competitive field, the supply does not yet meet the demand, so that all costs increased. An analysis of the statistical records of purchases shows an over-all increase in the several categories. While a portion of the increase is undoubtedly due to advanced prices, the increases in the restrictive, controlled, non-competitive, and emergency purchases are largely due to increased Government activity. It will be understood that the period covered by the statistical records is wholly within the controlled period, and the increased prices were mainly due to increases granted by the several Controllers. The sharp advance in emergency buying is due to the fact that the various branches of Government throughout the Province have had to secure their requirements immediately they are available, as any delay, which might be met with in normal channels, might result in loss of opportunity.

In the matter of coal-supply for Government institutions and buildings, no major difficulty was encountered. Coal reserves referred to in previous reports were found most useful in maintaining a steady supply.

In the case of motor-vehicles the supply is still limited, and although our urgent requirements have been taken care of, deliveries are uncertain and frequently delayed for long periods. In general, however, the situation has somewhat improved so far as the supply is concerned, but prices, of course, have advanced considerably, although the effect of this on the over-all cost of replacements is largely offset by the higher prices obtainable for the used cars that are being replaced. In disposing of used cars and trucks, the policy adopted by the Commission is to first give the dealer who is supplying the new vehicle an opportunity of submitting an offer for the used one, but if the amount offered is not considered acceptable in the light of current market prices, the vehicle is then advertised for sale by public tender.

The supply of spare parts and tires has now assumed more normal proportions, and this makes possible the re-establishment of our usual fleet-owner's discounts.

During the calendar year 1947 a total of 403 motor-vehicles was purchased (227 passenger-cars, 173 trucks, 3 motor-cycles). During the same period a total of 171 used vehicles was disposed of, from which the sum of \$89,282.91 was realized.

Miscellaneous items of surplus stock and equipment disposed of by auction or advertised tender amounted to \$42,369.50.

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

STATISTICAL RECORDS.

During 1947 fifty-six 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 1944-45, 1945-46, and 1946-47 are set forth hereunder:—

	1944-45.	1945-46.	1946-47.
A. <i>Competitive</i>	\$1,097,175.70	\$1,069,529.00	\$1,224,889.62
B. <i>Restrictive</i>	668,411.90	1,092,897.12	1,913,511.26
C. <i>Controlled</i>	359,531.68	569,709.26	697,980.71
D. <i>Non-competitive</i>	590,814.43	1,249,539.19	1,345,051.80
E. <i>Retail</i>	66,751.10	77,869.00	99,687.91
F. <i>Emergency</i>	286,490.08	386,713.42	555,649.05
War Assets Corporation.....		205,848.70	227,049.05
Totals.....	\$3,069,174.89	\$4,652,105.69	\$6,063,819.40
Number of purchase orders issued.....	18,899	22,485	27,163

The foregoing figures chart trends of present-day conditions governing the purchase of supplies. It will be noted that an increase of 30 per cent. over last year in the volume of purchases is due to present-day conditions, and whereas a decrease was shown in the competitive column last year, there is now a substantial increase.

OFFICE FURNITURE AND EQUIPMENT.

Shortages in the supply of office furniture and equipment are still very apparent, and prices continue to increase, particularly in the case of oak and other hardwood furniture, which has practically doubled in price during the period of the past two years. For this reason locally constructed fir desks are being utilized to the fullest extent possible, but even they are now priced higher than oak desks were two years ago.

Our cabinetmaker and his assistant in Vancouver are kept fully occupied with maintenance and repair of furniture in the Court-house and adjacent offices. They have also constructed many necessary cabinets to the specifications of the departments concerned.

Inventory records show the value of office furniture in Government offices is now \$1,347,712.

The typewriter and maintenance service has undergone a process of reorganization and, for administrative reasons, headquarters were moved from Vancouver to Victoria. The staff consists of two senior mechanics and two service mechanics in Victoria, and two senior mechanics in Vancouver. Machines in the Interior are serviced from Victoria twice per year. Those on Vancouver Island and in the Fraser Valley are serviced quarterly, while those in the cities of Victoria and Vancouver are serviced every six weeks. There are now 2,375 machines to be serviced, and 127 overhauls and rebuilds were completed during the year.

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