

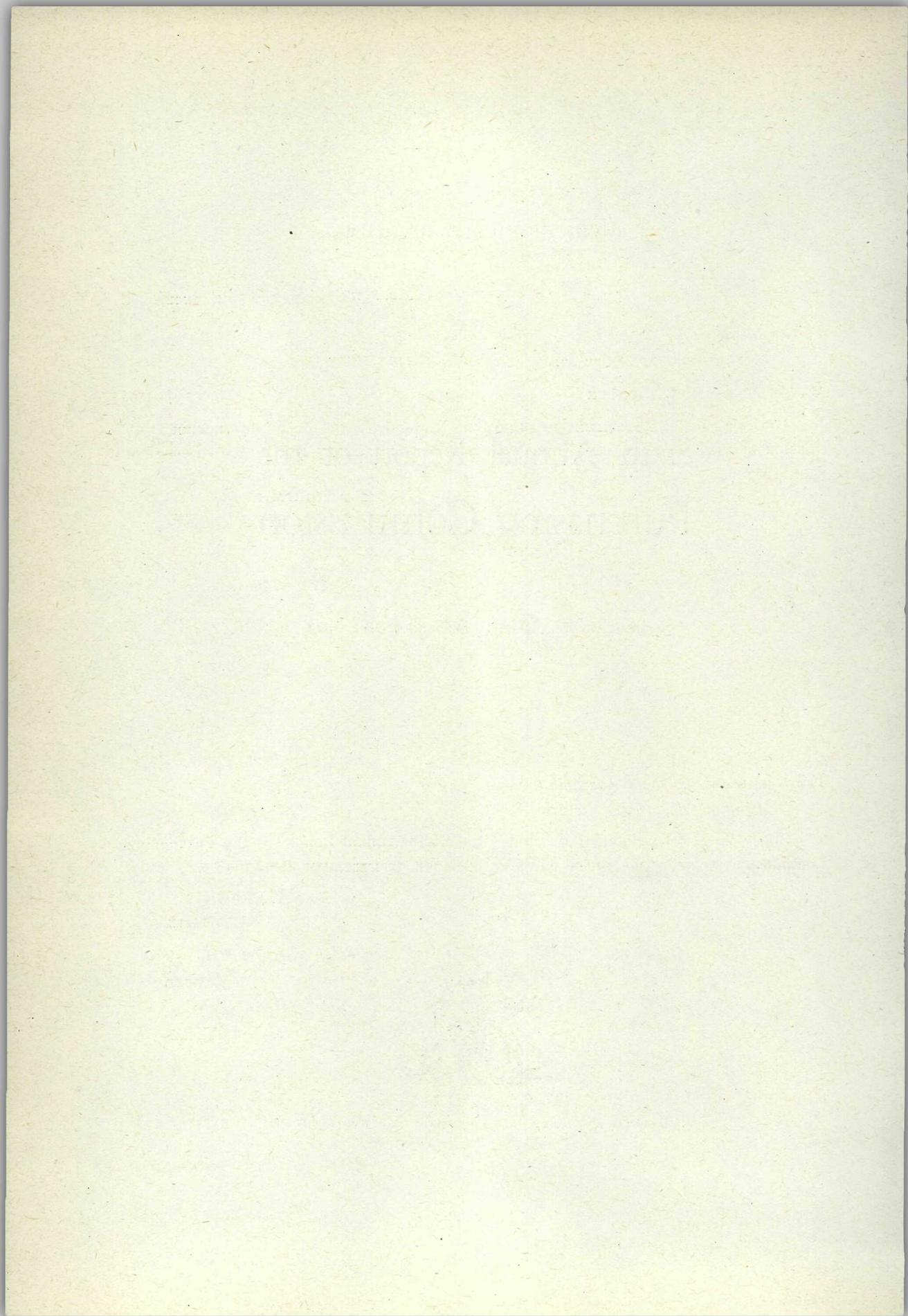
PROVINCE OF BRITISH COLUMBIA

Sixth Annual Report of the Purchasing Commission

January 1st, 1948, to December 31st, 1948



VICTORIA, B.C. :
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1949.



VICTORIA, B.C., January 15th, 1949.

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, 1948, to December 31st, 1948.

H. ANSCOMB,
Minister of Finance.

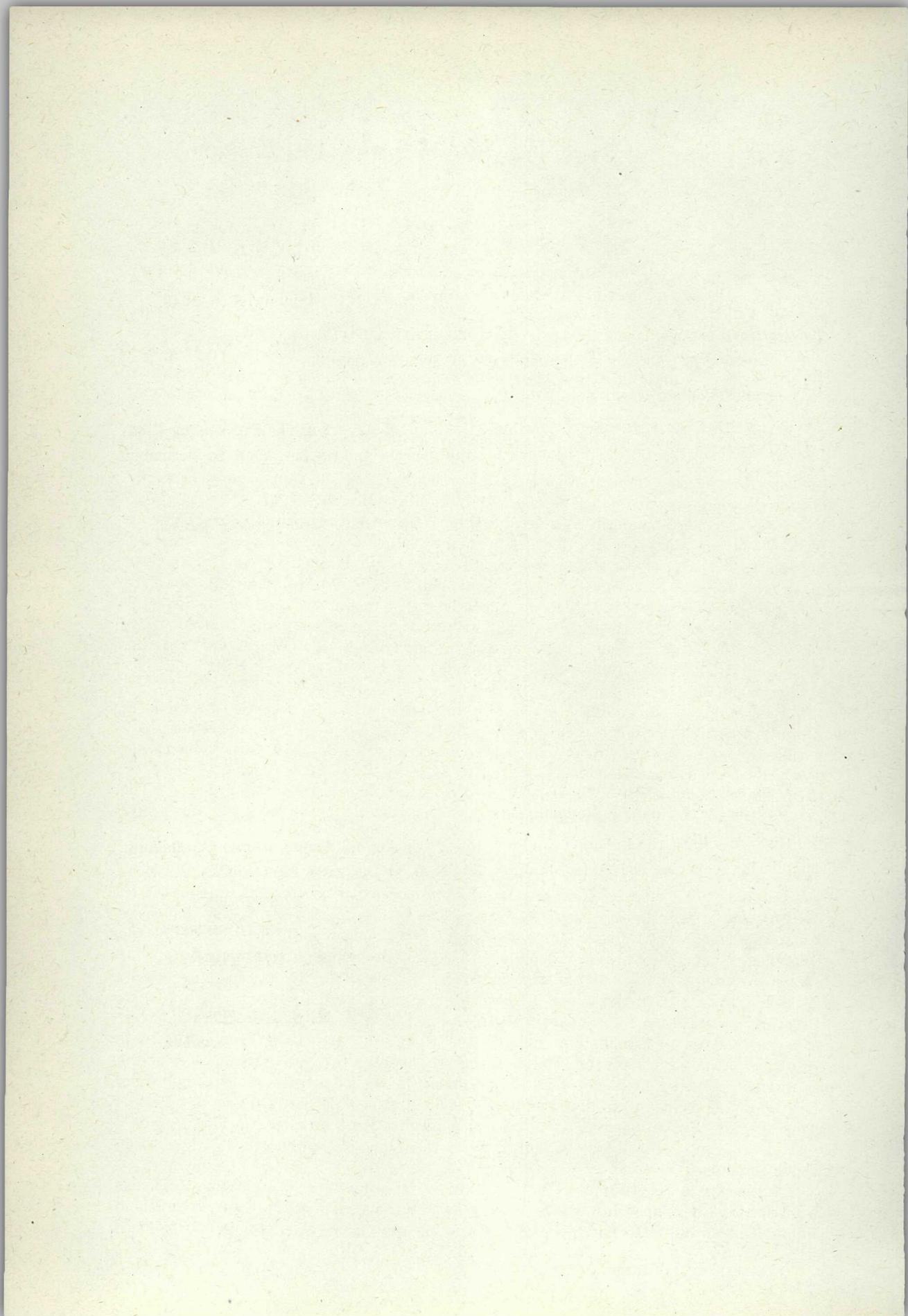
The Honourable Herbert Anscomb,
Minister of Finance, Victoria, B.C.

SIR,—We have the honour to submit the Sixth Annual Report of the Purchasing Commission, covering the period January 1st, 1948, to December 31st, 1948.

C. B. PETERSON,
Chairman.

E. W. GRIFFITH,
Member.

J. M. STEWART,
Member.



Sixth Annual Report of the Purchasing Commission.

For the Period January 1st, 1948, to December 31st, 1948.

Perhaps in no other respect is the effect on Provincial economy more marked than in the cost of the equipment and supplies necessary to the performance of the numerous services maintained by the Government.

Many factors influence the cost of commodities, and the sharp advance in prices may be attributed to various reasons, such as the shortage of raw materials due, in some instances, to disruption of former sources of supply, the unprecedented expansion in industry to meet world demands which have greatly increased as an aftermath of the war, increased transportation rates, higher wages, labour disputes which halt production, and, last but not least, the vagaries of trade balances and foreign exchange. The effort on the part of the populace to maintain a high standard of living, and the tendency on the part of labour to work fewer hours and less arduously, further contribute to the dislocation of the law of supply and demand.

Although there has been considerable improvement in the availability of supplies, prices have continued to rise. Reference to the statistical figures indicates a general increase in the amount of purchases. This increase is partly due to expanding Government services, but the advance in prices would account for a considerable portion of it. A few commodities are still subject to a measure of control, but it may be said that the controlled period is practically over. The inevitable result of the removal of subsidies was a corresponding increase in the price of the subsidized commodities; for instance, butter advanced 30 cents per pound, flour \$4.05 per barrel, and feed-grains and hay rose as much as \$16 per ton.

Prior to this year the policy of obtaining semi-annual tenders for institutional supplies was followed, but present market conditions are such that it has seemed inadvisable to risk either the submission or acceptance of prices that would be binding for a period of six months. Therefore, until such time as the market becomes more stabilized, monthly quotations are being obtained covering only current requirements. The results appear to justify the additional clerical work involved, and suppliers have co-operated fully.

In October of this year the Purchasing Commission assumed jurisdiction over the stock carried at the Langford warehouse formerly operated by the Public Works Department. This stock consists mainly of camp equipment, tools, and supplies which are in general demand by the field services of various departments, and has been expanded considerably during the past few years by favourable purchases made by the Commission from War Assets Corporation. Although camp equipment covers a wide range of articles, it consists of such items as tents, bedding, stoves, cooking-utensils, cutlery, crockery, tools of various kinds, including saws, axes, shovels, picks, mattocks, etc. By maintaining a reasonably complete stock of this equipment, much time and expense is saved in establishing camps; and when they are closed the equipment is returned to the warehouse for reconditioning and storing for future use. Most of the equipment referred to is not readily obtainable in the quantities required on short notice, and therefore it is desirable that sufficient stocks be accumulated in advance. This also affords the opportunity of making bulk purchases on more favourable terms, and also makes it possible to standardize on the types of equipment that have been found to be most suitable.

In respect of fuel-supplies for Government buildings and institutions, a serious coal shortage developed last winter as a result of the strike in the Vancouver Island mines, and, to meet the emergency, it was found necessary to import a few car-loads

from the United States at a considerably higher cost. However, the situation has improved, and it seems reasonably safe to assume that adequate supplies will be available to meet this winter's requirements.

In the case of motor-cars, deliveries are still lagging, but the situation in respect of trucks has eased somewhat during the latter part of this year. In all probability the shortage of steel will continue to retard production for some time yet. This situation, plus import restrictions, also accounts for the difficulties experienced in acquiring road machinery and equipment of all kinds. The advance in prices varies from 20 per cent. to 35 per cent.

Spare parts and accessories for automobiles and trucks have been in better supply recently, but indications are that they will again be added to the list of shortages. In the case of tires, it is worthy of special note that the supply is now plentiful, and prices are actually 10 per cent. to 15 per cent. below pre-war levels. This seems too good to last.

During the calendar year 1948 the number of motor-vehicles purchased totalled 392, of which 222 were cars and 170 were trucks of various sizes. During the same period 194 vehicles were disposed of, from which the sum of \$128,127.93 was realized.

Miscellaneous items of surplus stock and equipment sold by auction or advertised tender amounted to \$12,624.86.

Cost data respecting the operation of cars in Government service is now maintained by the departments concerned.

Supervision has been maintained over the stocks carried in Police stores and at the several Provincial institutions, and the inventories of supplies are periodically verified.

STATISTICAL RECORDS.

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 are 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) Wholesale.

Comparative figures for the fiscal years 1945-46, 1946-47, and 1947-48 are set forth hereunder:—

	1945-46.	1946-47.	1947-48.
A. Competitive.....	\$1,069,529.00	\$1,224,889.62	\$1,797,962.96
B. Restrictive.....	1,092,897.12	1,913,511.26	3,171,273.11
C. Controlled.....	569,709.26	697,980.71	1,017,470.76
D. Non-competitive.....	1,249,539.19	1,345,051.80	2,046,112.62
E. Retail.....	77,869.00	99,687.91	151,388.03
F. Emergency—			
(1) Retail.....	386,713.42	555,649.05	301,377.17
(2) Wholesale.....			472,859.06
War Assets Corporation.....	205,848.70	227,049.05	98,693.42
Totals.....	\$4,652,105.69	\$6,063,819.40	\$9,056,637.13
Number of purchase orders issued.....	22,485	27,163	30,390

These figures cover the fiscal year ended March 31st, 1948, and, although a substantial increase over the preceding fiscal period is indicated, they do not reveal the extent to which the volume has increased during the calendar year 1948. This will be reflected in our next report.

OFFICE FURNITURE AND EQUIPMENT.

There has been an unusually heavy demand for office furniture this year to equip the new building on Superior Street, two new Court-houses at Alberni and Penticton, and a large number of additional offices opened throughout the Province in connection with Health Insurance and other expanding services. By reason of the limited quantities available through the usual trade channels, as well as the excessive cost due to the advance in prices, negotiations were entered into with British Columbia manufacturers with a view to having them undertake to supply as large a proportion of our requirements as possible. This particular type of furniture had not been produced locally in commercial quantities heretofore, and an opportunity was thus afforded to encourage the establishment of a local industry, as well as providing the advantage of dealing directly with manufacturers. Although minor production difficulties had to be overcome in the early development stages, splendid results have accrued to the benefit of all concerned, and now practically all of our desks, tables, and chairs are being made in Vancouver, New Westminster, and Victoria.

The present system, whereby our inventory of office furniture and equipment is kept manually on a card-index, has become too big and cumbersome for efficient handling, and the more modern method of punched cards on International Business Machines is being adopted. Until the work connected with this change has been completed, the revised inventory value cannot be accurately stated.

Owing to the expansion of Government services previously referred to, an increased volume of work has fallen upon our typewriter maintenance mechanics, yet a very satisfactory service has been maintained with only a minor addition to the staff.

A few improvements have been made to the equipment in our cabinetmaker's shop in Vancouver to broaden the scope of the work which may be advantageously undertaken. This work consists mainly of repairing and refinishing furniture in the Court-house and other Government offices in and adjacent to Vancouver; also, to the extent that time and facilities will permit, incidental items of furniture required for special purposes are constructed.

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