



ASSOCIATION OF CONSULTING  
ENGINEERING COMPANIES | CANADA

ASSOCIATION DES FIRMES  
D'INGÉNIEURS-CONSEILS | CANADA

August 28, 2014

**ATTN:** The Honorable Dave Hancock, M.L.A., Premier of Alberta  
The Honorable Christy Clark, M.L.A., Premier of British Columbia  
The Honorable Gregory Selinger, M.L.A., Premier of Manitoba  
The Honorable David Alward, M.L.A., Premier of New Brunswick  
The Honourable Tom Marshall, M.H.A., Premier of Newfoundland and Labrador  
The Honorable Stephen McNeil, M.L.A., Premier of Nova Scotia  
The Honorable Peter Taptuna, M.L.A., Premier of Nunavut  
The Honorable Kathleen Wynne, M.P.P., Premier of Ontario  
The Honorable Robert W.J. Ghiz, M.L.A., Premier of Prince Edward Island  
The Honorable Philippe Couillard, M.N.A., Premier of Quebec  
The Honorable Brad Wall, M.L.A., Premier of Saskatchewan  
The Honorable Darrell Pasloski, M.L.A., Premier of Yukon  
The Honorable Bob McLeod, M.L.A., Premier of Northwest Territories

Dear Premiers,

**RE: Infrastructure and Internal Trade**

The Association of Consulting Engineering Companies – Canada (ACEC) and its twelve provincial and territorial counterparts across Canada are encouraged to see such emphasis given by the Premiers to the need for all levels of government to invest in infrastructure. We believe infrastructure is a core business of government and is essential to Canada's prosperity and competitiveness. It is an investment in our economic, social and environmental quality of life.

We are also watching the deliberations around internal trade with great interest and share with you our experience with what we believe were unintended consequences of the New West Partnership Trade Agreement (NWPTA). ACEC is a federation of 12 provincial and territorial associations across Canada. Collectively, we represent nearly 500 firms that collectively employ 75,000 Canadians. Our sector is a significant contributor to the economy.

Prior to NWPTA, our members and our profession already had full mobility across Canada allowing participation in the economic activities in each province and across Canada. Today, our members in western Canada are currently subject to the NWPTA and based on our experience thus far, ACEC has concerns with the NWPTA. Although we support the spirit of this agreement in principle, we are concerned with a specific aspect of this agreement that is potentially problematic for our industry, our clients and the public that we serve. Our concern is shared by our 12 provincial and territorial constituent associations across Canada.

We believe that this can be easily resolved by preserving a narrow exemption for provincially regulated professions contained in Annex 502.1B of the existing Agreement on Internal Trade (AIT).

Based on our experience with NWPTA in British Columbia, Alberta and Saskatchewan, we have found that by removing the exemption for provincially regulated professions contained in the AIT from procurement provisions of the agreement, professional engineering services are being treated as a commodity and not as a value-added professional service. NWPTA language requires government clients to invite submissions from all firms within the trade agreement area for any professional services assignment exceeding \$75,000. Clients now face pressure to either spend a significant amount of time and resources in order to evaluate the technical merits and team qualifications for each submission or to revert to the simple solution of selecting the lowest fee at the expense of other more critical criteria. As a result, if public infrastructure development is based on the lowest possible fee, there are potential consequences to both the economy (higher costs to the taxpayer) and public safety. Selecting the lowest fee creates pressure to design and supervise the project using less experienced staff

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and expending the least amount of effort necessary to meet the bare minimum requirements of the project – losing an opportunity to optimize the design, reduce life-cycle costs and enhance safety. It also discourages innovation and penalizes proponents that anticipate potential complexities or who wish to propose value-added solutions all to save tax payers money. The results of this will be felt in the years to come.

In effect, we have found that the NWPTA has discouraged public agencies from adopting procurement methods such as the *Best Practice for Selecting a Professional Consultant* developed by the National Guide to Sustainable Municipal Infrastructure (InfraGuide). InfraGuide was a collaboration of the Federation of Canadian Municipalities, the National Research Council and Infrastructure Canada. We do not believe that this would be the intent of an inter-provincial trade agreement.

Currently, our industry has great mobility and access to markets across the country under the current AIT. Should the provinces and territories decide to amend or supersede AIT, ACEC asks that you acknowledge and consider our concerns with regard to the procurement of professional services and ensure that future agreements allow for the preservation and adoption of best practices for the procurement of professional services (such as those recommended by InfraGuide). This would be supported by our industry in all regions of Canada.

ACEC and its member organizations are asking provincial and territorial governments to support the consulting engineering sector across Canada and help us to build a business and regulatory environment that allows us to provide excellent service to our clients, offer life-cycle savings to taxpayers and to contribute to our economic, social and environmental quality of life. Thank you for your consideration and attention to our concerns.

Yours truly,



John D. Gamble, CET, P.Eng.  
President & CEO

Cc: Association of Consulting Engineering Companies - British Columbia  
Association of Consulting Engineering Companies - Manitoba  
Association of Consulting Engineering Companies - New Brunswick  
Association of Consulting Engineering Companies - Prince Edward Island  
Association of Consulting Engineering Companies - Saskatchewan  
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