



- PURPOSE:** The purpose of the New West Partnership Trade Agreement (NWPTA) is to remove trade barriers and increase the flow of goods, services, capital and labour between provinces. CEA supports these principles.
- CONCERN:** Unfortunately there are unintended consequences concerning NWPTA as it relates to the procurement of professional engineering services. The procurement provisions are the only aspects of the agreement that CEA cannot support.
- SOLUTION:** The NWPTA must be amended to exempt professional engineering services from the procurement provisions of the agreement.

UNINTENDED CONSEQUENCES FOR ALBERTA

1. NWPTA procurement provisions consider professional engineering services like steel and cement—commodities, which are purchased solely on price. It is not appropriate to purchase knowledge-based professional engineering services solely on price.
2. Price-based competition ignores experience, local knowledge, innovation, and reputation.
3. Price-based competition actually increases costs because it prevents optimal design by ignoring life-cycle needs and value of a project.
4. Often the lowest price bid leads to significant construction inefficiencies, cost overruns, change orders and claims.
5. Price-based competition prevents innovation and the creation of leading-edge inventiveness that Alberta is known for.
6. Competition costs to the consulting engineering industry often exceed the total value of a project. In addition municipal evaluation costs increase substantially resulting in requirements for more municipal staff or major project delays caused by the selection process.
7. Public health and safety concerns will increase if a price-based competition reduces overall quality and/or inspections. This concern is shared by both APEGA and CEA.
8. Does not encourage a positive trust relationship

between the client and the engineering professional service provider, which is essential for infrastructure projects.

9. Adversely affects the health of our industry and our ability to attract the best and the brightest talent to address our worker shortage.
10. Canada already had mobility of professional engineering services between the provinces prior to TILMA and subsequently the NWPTA.
11. These concerns are shared equally by the British Columbia and Saskatchewan consulting engineers, and professional engineering associations.
12. NWPTA contravenes the provisions of the Consulting Engineers of Alberta Act. Appendix A, Clients, Item 11.

The CEA Act's purpose is to: "provide the vehicle for the consulting engineering industry in Alberta to add value to the Alberta economy by enhancing the development, management and marketing of technology for the benefit of society." The legislation provides CEA member companies with the right-to-title designation of MCEA .

Premier Alison Redford stated in the Alberta Innovators magazine "*Alberta is blessed with some of the most sophisticated and inventive engineering firms in the country, which further enhances our province's reputation as a leader in innovation on the national and international stage.*"

QUICK FACTS: CEA members participated in a poll about NWPTA
72.2% of respondents reported a very significant or somewhat significant impact on their business
84.1% of these report increased costs of responding to RFPs
78.3% report qualifications are not considered—only price
56.5% report a loss of business
87.0% report reluctance to respond to RFPs because of number of competitors
65.2% report reduced opportunity for innovation



NWPTA

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