

Don't mess with open, fair competition for public contracts: MHCA

Winnipeg councilors cautioned not to give preference to local companies

A call this week at a city council committee for Winnipeg to give preference to local bidders in its tenders elicited a rapid response from the MHCA.

"We (MHCA) unequivocally support and endorse the committee's decision, which we understand is to award the contract to the lowest qualifying bidder, as the correct decision supporting the public, industry and its workers best interests," association President Chris Lorenc said Tuesday.

Lorenc was reacting to news this week that two associations – Construction Labour Relations Association and the Manitoba Building Trades Council – **told councilors** on the environment committee on Monday that the city should not have awarded a contract to upgrade the South End Sewage Treatment Plant to NAC Constructors Ltd., from Ontario. The associations said there should be local preference clauses that would allow awarding a project to a Manitoba company if its bid were less than 5% higher than the lowest-price bid submitted by an out-of-province company.

That's not the way free trade works, stressed Lorenc, and Manitoba governments cannot give preference to local companies for public contracts while, at the same time, working to tear down provincial barriers to trade nationally. Canada and the provinces have signed internal and international free trade agreements that would be violated were local preference attached to procurement policy or practice.

Free trade across provincial boundaries supports the principle that, on a level playing field, the most competitive bid should get the work because it delivers best value to the taxpayer, through the public budgets that finance the work.

The MHCA vigorously pursues the elimination of local-preference clauses in public procurement and contract language. Recently, the association's protest, through Manitoba government offices, resulted in SaskPower opening its tenders to contractors in this province.

"The well-established practices and benefits of open, unfettered awards to the lowest qualifying bidder regardless of the bidder's 'home jurisdiction' are supported by Canada's internal trade agreements and return the best value to all parties concerned," Lorenc wrote in an email to city councilors.

The construction industry's ability to compete fairly cannot become restricted because of local preference practices. The public and public purse should not have to bear a premium price to satisfy positions which are not in their short-, medium- nor long-term interests."