

Alberta Public Sector and Procurement

Trade Agreements CFTA & CETA

Presentation to AUMA – November 23, 2017

Today's Agenda:

- Trade Agreements
 - Refresher on TILMA/NWTPA
 - CFTA
 - CETA
- Tools for the public sector
- Questions & Answers

Trade Agreements...

What Do They Mean for Public Entities?



**Trade agreements assist
Public Procurement teams in
understanding how
Alberta public entities
must do business!**



Where do our public school boards “fit in” to the trade agreements?

Our school boards are considered MASH entities.

Informally, **MASH** stands for:

Municipalities, **A**cademic institutions, **S**chool boards,
and the **H**ealth Authority (and all of their entities)

Formally, MASH includes:

regional, local, district or other forms of municipal government, school boards, publicly-funded academic, health and social service entities, as well as any corporation or entity owned or controlled by one or more of the preceding entities

Three trade agreements apply to our Alberta Municipalities...

1. TILMA/NWPTA

- Trade, Investment, and Labour Mobility Agreement
- New West Partnership Agreement

2. CFTA

- Canadian Free Trade Agreement

3. CETA

- Canada European Union Comprehensive & Economic Trade Agreement

New West Partnership Trade Agreement (NWPTA)

Agreement between AB, SK, BC, and MB
(Built on previous interprovincial agreement, TILMA)



TILMA/NWPTA Thresholds:

	Goods	Services	Construction
GoA	\$10,000	\$75,000	\$100,000
ABCs	\$10,000	\$75,000	\$100,000
MASH	\$75,000	\$75,000	\$200,000

**Alberta Public Entities openly tender
at the TILMA/NWPTA thresholds**

Say “HI” to the Canadian Free Trade Agreement, which replaced the AIT!



- Many of the same measures are included in the updated version. The values are still fair, open, and non-discriminatory competition.
- New measures bring the obligations in line with our international agreements (CETA) – one rule for all agreements
- Entered into force: July 1, 2017 (on Canada’s 150th Birthday)

AIT versus CFTA: Differences in measures

- **VALUATION**
Entities will include all taxes, fees, extras,
and optional renewal years
- **PUBLICATION OF AWARD INFORMATION**
Entities must publish award information for openly
competed opportunities within 72 days of award
- **THRESHOLD ADJUSTMENT**
The CFTA will be adjusted every two years to
account for inflation

AIT versus CFTA: Differences in measures

- **PARTICIPATION IN BUYING GROUPS**

Entities are now required to post their intent to participate in a buying group(s) every year on APC.

 - New guide on APC to help MASH meet this obligation
- **MANDATORY VENDOR DEBRIEFS**

Participating suppliers must be informed of contract award decisions under that process, and (if requested) an unsuccessful supplier must be given an explanation of the reasons why it was not selected.

CFTA Thresholds: Present – December 31, 2017

	Goods	Services	Construction
GoA	\$25,000	\$100,000	\$100,000
ABCs	\$25,000	\$100,000	\$100,000
MASH	\$100,000	\$100,000	\$250,000

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at the TILMA/NWPTA thresholds**

CFTA Thresholds: January 1, 2018 – December 31, 2019

	Goods	Services	Construction
GoA	\$25,300	\$101,100	\$101,100
ABCs	\$25,300	\$101,100	\$101,100
MASH	\$101,100	\$101,100	\$252,700

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NEWEST: Canada/European Union Comprehensive Economic and Trade Agreement (CETA)!



CETA Thresholds:

	Goods	Services	Construction
GoA/ABCs	\$340,600	\$340,600	\$8.5M
MASH	\$340,600	\$340,600	\$8.5M
Crowns	\$604,700	\$604,700	\$8.5M

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Threshold Comparison A quick reference...

CETA	Goods	Services	Construction	28 countries of the European Union
Ministries	340,600	340,600	8,500,000	
MASH	340,600	340,600	8,500,000	
Crown	604,700	604,700	8,500,000	
AIT/CFTA	Goods	Services	Construction	10 provinces, 3 territories, Federal Government
Ministries	25,000	100,000	100,000	
MASH	100,000	100,000	250,000	
Crown	500,000	500,000	5,000,000	
NWPTA	Goods	Services	Construction	Alberta, British Columbia, Saskatchewan, Manitoba
Ministries	10,000	75,000	100,000	
MASH	75,000	75,000	200,000	
Crowns	25,000	100,000	100,000	

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at the TILMA/NWPTA thresholds**

Commonalities Between All Agreements

- Fair, Open and Transparent measures
- Equal treatment for all vendors (Provincial/Territorial, National, and International) in like circumstances
- Specify standards and regulations in terms of results, performance or competence - you may take into account any number of criteria including, but not limited to: price, quantity, quality, delivery, servicing, capacity of the supplier to meet the requirements...etc.

Commonalities Between Agreements - 2

TILMA/NWPTA, CFTA, and CETA follow the principles of fairness, openness, transparency and non-discrimination.

- You must post opportunities at or above TILMA/NWPTA thresholds.
- You must keep the opportunity open to allow a vendor to find the opportunity, compose a response, and submit it (**CETA states for how long**).
- You must establish an evaluation criteria that cannot be altered once the opportunity has closed; you must apply that criteria fairly to all responses.

Common Exceptions Between Agreements

GOOD NEWS...

Nearly all of the exceptions we see in the CETA are also included in the TILMA/NWPTA and CFTA!

There are some small differences between domestic and international agreements, but most of the same exceptions can be found in all of the trade agreements.

Dispute Resolution

TILMA/NWPTA – Provides for consultation followed by formal dispute proceedings before a dispute panel if the complaint is unresolved through consultations. Monetary awards may now be considered.

CFTA – Same as TILMA/NWPTA, however Alberta has not created a roster of panelists yet.

CETA – Also follows the CFTA Party-to-Party procedures, however Parties are expected to establish a Domestic Review Procedures that meets minimum requirements set out in the CETA.

Bid Protest Mechanism

- Currently for NWPTA provinces only.
- Timely dispute avoidance provisions
- Arbitral process accessible by both governments and persons
- Enforceable through monetary penalties

<http://www.newwestpartnershiptrade.ca>

Tools for Public Sector Entities

Standing Offer Arrangements

- Corporate Purchasing within Service Alberta has developed a wide range of standing offer contracts on behalf of GoA departments.
- Access to these contracts is provided on request to MASH sector as “Approved Organizations”.

To obtain access, simply send an email to:

corporate.purchasing@gov.ab.ca

Tools for Public Sector Entities

Trade Agreement Advisory Services

- Trade Development Office, Procurement Services
- Education, advisory and interpretive services of the procurement provisions of all trade agreements

Contact:

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QUESTIONS??



It's QUESTION TIME !!