



**MINISTER OF
FINANCE**

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

OCT 12 2017

Mr. Chris Lorenc, President
Manitoba Heavy Construction Association
#3-1680 Ellice Avenue
Winnipeg MB R3H 0Z2

Dear Mr. Lorenc:

Thank you for your correspondence which detailed concerns related to public sector procurement: arbitrary reprisal clauses; bidder barring and local preference. I can assure you that the Government of Manitoba is committed to fair, open and transparent processes for government procurement. We are dedicated to promoting strong competition in order to ensure value for money in all government contracts, protecting the public interest.

Manitoba Finance will be making it clear to public sector tendering bodies that the use of arbitrary clauses for punitive or spurious reasons in tender invitations is not an accepted practice and should not be used as a bid disqualification rationale in public tendering opportunities.

We will also clarify that public sector tendering bodies are not to reject any solicitation response (Bid, Proposal) on the basis of the Bidder/Proponent initiating a bid dispute process in accordance with the provisions of the trade agreements that Manitoba is a party to.

Best public sector procurement practice is that Manitoba reserve the right to consider its legal position and risk associated with entering into a contract with a party that Manitoba is in litigation with, or has a history of unsatisfactory performance. Manitoba's solicitation documents reserve this right.

Further, addressing your concerns, we will be indicating to public sector organizations that the use of local preferences, including local hiring, in solicitations by public entities is prohibited under Manitoba's trade obligations in the Canada Free Trade Agreement and the New West Partnership Agreement. Manitoba's obligations under these trade agreements extend to municipalities, colleges, universities, school divisions, health authorities, crown

corporations, as well as all government Agencies, Boards and Commissions. Finance can reinforce this in the information we send out to departments as well as directly with those entities to which our trade obligations extend.

Thank you again for writing and allowing me the opportunity to respond to your concerns.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Cameron Friesen', written in a cursive style.

Honourable Cameron Friesen
Minister of Finance

c: Honourable Ron Schuler, Minister of Infrastructure
Honourable Ian Wishart, Minister of Education