

**MEMORANDUM OF AGREEMENT
OF THE REDUCTION OF INTERPROVINCIAL TRADE BARRIERS
IN WESTERN CANADA: GOVERNMENT PROCUREMENT**

Whereas the Provinces of British Columbia, Alberta, Saskatchewan and Manitoba (The Western Provinces) wish to:

- reaffirm the principles set out in the Intergovernmental Position Paper on Regional Development of June 1985 and in particular, the view that, as a general rule, increased interprovincial trade will lead to productivity improvements and enhanced economic activity in Canada:
- recognize at the same time the special development needs of certain regions and sectors of the economy:
- note the decision by First Ministers at their November 1987 Annual Conference to establish a Committee of Ministers on internal Trade thereby re-affirming and giving further direction to the initiative to reduce interprovincial barriers to trade:
- restate their commitment to promote opportunities for enhanced liberalization of procurement policies with the reduction or removal of barriers between provinces:
- reaffirm their commitment to the Common Procurement Principles in Support of Geographic Neutrality set out in the Report on public Sector Procurement Initiatives: and

Whereas The Western Provinces

- have agreed at the Western Premiers' Conference in 1987 and again in 1988 to pursue and implement opportunities for cooperative action amongst themselves and have established a Ministerial Working Group for this purpose, and
- fully support the national efforts of the Committee of Ministers On Internal Trade at interprovincial trade barrier reduction and wish to encourage those efforts by accelerating progress at a regional level: and

Whereas the Western Provinces wish to use their procurement activities to attract investment to Western Canada.

NOW THEREFORE, The Western Provinces agree:

1. to eliminate all forms of discrimination amongst themselves based on the province of origin of goods, services or suppliers covered by this Memorandum of Agreement except as otherwise stated. These include but are not limited to the following:
 - a) registration requirements and restrictions on invitations to tender based upon the location of a supplier's head office, manufacturing plant or like criteria;
 - b) consideration of provincial content or employment in the evaluation of bids;
 - c) the practice of using a price discount factor to give preference to local suppliers.
2. That this Memorandum of Agreement will operate in a manner that is consistent with the spirit and substance of a national agreement on interprovincial trade barrier reduction.
3. That this Memorandum of Agreement shall apply to procurement contracts for goods and services and to construction contracts that may be awarded by the government departments, agencies or commissions of The Western Provinces in the administration and delivery of government programs and services.
4. That any one of The western Provinces may in very exceptional circumstances exclude a particular procurement from this Memorandum of Agreement for economic development purposes provided that any such exception is made clear in the tender call and be reported annually to the Western Ministerial Working Group. Such a report must contain for each exception a description of the procurement contract, the reasons for the exception, the recipient of the contract, the date of award, and the total value of the contract.
5. That this Memorandum of Agreement excludes the procurement activities of hospitals, school boards, municipalities and crown corporations other than crown corporations established to purchase goods and services for government departments.
6. To provide tender information on contracts for the procurement of goods and services as may be agreed to under a Regional procurement Data Network.
7. That representations regarding the identification of a discriminatory practice prohibited by this Memorandum of Agreement shall be made directly to a designated agency within the government concerned with a view to resolving the matter. A government which has espoused a complaint without success and considers it a serious breach of this Memorandum of Agreement may refer the matter to the Ministerial Working Group.

- 8) That individual jurisdictions will continue to use expedient means of procurement (for example geographic placement of tender notices, small quantity procurements, emergency procurements). Should any participating government deem that such means are discriminatory, that participant may exercise the procedure dealing with breach of the Memorandum of Agreement as described in 7) above.
- 9) That they will review the effectiveness of this Memorandum of Agreement at least annually for the purpose of broadening its scope and determining if improvements are required.
- 10) That any one of The Western Provinces may withdraw immediately from this Memorandum of Agreement by giving notice.
- 11) That this Memorandum of Agreement canes into effect on April 1, 1989.

This Memorandum of Agreement has been executed by the Ministers of British Columbia, Alberta, Saskatchewan and Manitoba on behalf of their respective governments on the 6th day of March, 1989.

Province of British Columbia

Herwood Tittel
Cliff Tittel

Province of Alberta

W. Oshen
Ernie Isley

(Approved pursuant to the Alberta
Federal and Intergovernmental Affairs
Act)

Province of Saskatchewan

Thomas Laybo

Province of Manitoba

Robert D. Dudgeon

Date: