

**TO:** CITY MANAGER

**FROM:** CITY CLERK

**SUBJECT: AGREEMENT ON INTERNAL TRADE (A.I.T.) AND B.C. MUNICIPALITIES**

**PURPOSE:** To respond to Council's request for a compilation of responses received from B.C. municipalities supporting Council's resolution regarding the Agreement on Internal Trade

**RECOMMENDATION:**

1. THAT Council forward a copy of this report and responses received to:
  - Honourable George Abbott, Minister of Community, Aboriginal and Women's Services
  - Honourable Rick Thorpe, Minister of Competition, Science and Enterprise
  - Honourable Sandy Santori, Minister of Management Services
  - Honourable Greg Halsey-Brandt, Minister of State for Intergovernmental Relations
  - Board of Directors, G.V.R.D.
  - Burnaby's M.L.A.s

**REPORT**

**BACKGROUND**

At the Open Council meeting held on November 26, 2001 Council discussed at length the potential impacts of the Agreement on Internal Trade (AIT). A staff report was also received providing details on the procurement provisions of the AIT, municipal issues and current municipal concerns.

Arising from Council's discussion, the following resolution was unanimously adopted:

“THAT the Provincial Government be informed that the City of Burnaby agrees with the principles but not the need to legislate compliance with the procurement provisions and rules of the Agreement on Internal Trade; and further

THAT the Provincial Government be informed that Burnaby and other B.C. municipalities already conduct their purchasing activities under fair, competitive,

efficient, effective, non-discriminatory and transparent processes, and therefore no discernable benefits are achieved by legislatively forcing municipalities to adhere to the AIT; and further

THAT the Provincial Government be informed that the procurement provisions of the AIT open an avenue of challenge to the procurement processes based on creative interpretations of the rules and may place cities in a position of constantly being required to defend the criteria stated in tenders; and further

THAT the Provincial Government be informed that the dispute resolution process denoted in the AIT is contrary to the stated intent and direction of the Community Charter and due to the exclusion of the municipalities by a panel of 'trade experts' may lead to decisions that are contrary to the successful achievement of municipal objectives and good governance; and further

THAT a copy of this report be sent to the Union of B.C. Municipalities **and all member municipalities.**"

### **CURRENT STATUS**

During the New Business portion of the February 4, 2002 Council meeting, Council requested staff to prepare a compilation of all those responses received from B.C. municipalities, written in support of Council's resolution and that the Provincial Ministers be provided with this information. Following is a list of those responses:

- Village of Cache Creek
- Town of Oliver
- District of Houston
- District of Sooke
- District of Squamish
- Resort Municipality of Whistler
- Village of Gold River
- District of Lake Country
- Town of Osoyoos
- City of Trail
- District of Oak Bay

It should also be noted that the GVRD Board of Directors, at its meeting held on January 25, 2002 unanimously agreed to communicate to the Province its strong opposition to having the municipal, academic, social and health (MASH) sector included in the Agreement on Internal Trade without prior consultation. The Board also agreed to request that any further changes to the AIT be the subject of consultation and that the government commit to paying all costs, regardless of outcome, arising from disputes under the AIT.

**CONCLUSION**

In accordance with the direction of Council it is recommended a copy of this report and the responses to Council's resolution received to date be forwarded to the Provincial Government as previously noted in this report.

Respectfully submitted,



Debbie Comis  
CITY CLERK

DC/bz

Copy: Director Finance  
Purchasing Agent



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