



## NEWS RELEASE COMMUNIQUÉ

### CCA WELCOMES GOVERNMENT'S DECISION TO ABANDON REVERSE AUCTIONS

SEPTEMBER 8, 2006

**OTTAWA** – The Canadian Construction Association (CCA) today applauded the announcement by Public Works and Government Services Canada Minister Michael Fortier to take off the table the idea of using reverse auctions as part of the federal government's current procurement review process. Over the past several weeks, CCA, along with many of its local and provincial member associations, had written the Minister asking that the government refuse to consider reverse auctions as a potential procurement process.

In an official release issued yesterday from Public Works and Government Services Canada, Minister Fortier states: "We are working with the industry to make sure we understand their concerns and are in a position to address them in the best interests of Canadians....That is why, after further consideration, I have asked my officials to take off the table the use of reverse auctions as part of our procurement strategy for all categories of commonly purchased goods and services." CCA has long maintained that because reverse auctions act contrary to the traditional and accepted method of "sealed bid" procurement for construction services, the federal government needed to take a strong stand against their use. The Minister's announcement yesterday responded in full to CCA's recommendation.

"We are very pleased that the Minister has heard our message against the use of reverse auctions", stated Michael Atkinson, President of the Canadian Construction Association. "In the construction industry, reverse auctions distort traditional bidding methods, and we hope that the federal government's abandonment of reverse auctions will send a clear signal to other owners, both public and private, that their use is unacceptable for construction procurement."

The Minister also confirmed that consultations with industry stakeholders will continue over the fall. CCA looks forward to working with the government on procurement reform, secure in the knowledge that reverse auctions are no longer being considered.

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For more information, contact:

Jeff Morrison, Director of Government Relations and Public Affairs  
(613) 236-9455, x432 (office); 613-291-9377 (cell)  
jeff@cca-acc.com