



Association of Canadian Search, Employment & Staffing Services
Association nationale des entreprises en recrutement et placement de personnel

June 30, 2006

The Honourable Michael Fortier
Minister
Public Works and Government Services Canada (PWGSC)
OFFICE OF THE MINISTER
Place du Portage, Phase III, 18A1, 11 Laurier Street
Gatineau, Quebec
Canada
K1A 0S5

By Fax: (819) 956-8382; Email: michael.fortier@pwgsc.gc.ca ; and by hand

Dear Minister:

Re: A request for an immediate withdrawal of the Temporary Help Services (THS) standing offer (EN578-060156/A) Public Works Government Services Canada (PWGSC)

The Association of Canadian Search, Employment and Staffing Services (ACSESS) is writing to request that you (1) immediately withdraw standing offer EN578-060156/A in respect to Temporary Help Services, and (2) conduct a thorough and transparent review process with the affected industry on the proposed changes before re-release, and (3) meet with industry representatives at your earliest convenience to discuss this very serious matter.

On June 20, 2006, ACSESS was advised by officials of Public Works and Government Services Canada (PWGSC) of imminent changes to the standing offer affecting procurement by the Government of Canada THS.

ACSESS representatives were advised that the changes were to come within 2-3 weeks of the meeting, and that if there were any concerns with the proposed changes, those concerns should be filed before then. Two weeks from that meeting would have been July 4, 2006. That deadline alone was unreasonable given the seriousness of the changes. Now we find the Department has not even respected its own deadline by releasing the bid earlier still.

By our assessment, the proposed changes will result in the immediate reduction in the number of eligible companies on the standing offer from 144 listed entities to approximately seven. The implications of this are many, but a few are of particular note. The changes will:

- (1) raise costs for the taxpayer.** Changes to procurement procedures are necessary to reduce costs. However, the proposed change in respect to THS will not, in our opinion, reduce costs. Instead, limiting the supply of THS will raise costs over time because incentives for competitive pricing will be removed.
- (2) limit the choices available to public service managers for contract employment.** The amended standing offer is proposed at a time when public service managers are already facing significant and growing human resource constraints due to shifting demographics. The proposed change will only exacerbate those constraints.
- (3) eliminate dozens and dozens of businesses in the Ottawa / Gatineau area.** These businesses employ hundreds of professionals and contribute millions in tax dollars to the national capital region. These jobs and this tax revenue will be lost. The consequent liability issues attached to the shutdown for the industry and for government have not even begun to be considered.
- (4) undermine trust in this government's commitment to accountability and transparency.** This initiative in respect to THS was launched under the previous government, but is being acted upon now. There has been virtually no notice of the radical changes it represents, and virtually no consultation with the industry affected. *Moreover, it is based on erroneous assumptions about the current market that have not been tested.*
- (5) send a strong anti-free market, anti-competitive message to the business community from a Conservative Government that has promised to improve industry-government relations.**

ACSESS has identified areas for improvement with procurement policies in respect to the staffing and employment sector, and has been pursuing engagement on these with PWGSC officials for some time (see attached letter dated February 20th to your Assistant Deputy Minister, Ian Bennett). Changes can be effected which could improve the efficiency of the system, and which could significantly reduce the cost of procurement to the taxpayer, and we are committed to assisting you with those.

However, departmental officials are advising that instead of a systematic review in consultation with industry, they are implementing a wholesale change that will decimate the sector. While we are sympathetic with the desire – and the workload – associated with efforts to implement broader procurement reform, this element of it has been poorly developed and could, if implemented, reflect very poorly on the good reputation of your department and its officials.

As taxpayers and voters, ACSESS member company staff members are in favour of initiatives that save money and time for the Government of Canada. We do not believe the changes proposed under the THS standing offer will do either of those.

We have taken the liberty of copying several of your ministerial colleagues who we believe would also have an interest in the implications of this troubling initiative.

Yours respectfully,
ORIGINAL SIGNED

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And

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