



## Alberta Construction Association

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August 8, 2018

Ramon Miranda, SCMP  
Senior Contracts & Sourcing Specialist  
Altalink  
Transmitted via email: [ramon.miranda@altalink.ca](mailto:ramon.miranda@altalink.ca)

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Dear Ramon Miranda:

Re: Reverse Bid Auction

It has come to ACA's attention that Altalink plans to solicit bids using a reverse bid auction process in relation to design/build services arising from RFP 537 issued August 1, 2018. The Alberta Construction Association (ACA) strongly opposes the use of reverse bid auctions for the procurement of construction services. ACA represents 3000 member firms providing services for the non-residential construction marketplace.

The extension of bid closing times and the ability to resubmit prices under a reverse auction is a form of pre-closing negotiation or bid shopping, which compromises a fair and open competitive process.

The use of a sealed bid tendering process is the recommended practice for construction procurement in Canada. Under sealed bid tendering, the owner is receiving a contractor's competitive price for providing the services required. Traditional bidding practices have mechanisms in place to deal with governing laws and regulations, bid and contract security, mistaken bids, and issuance of addenda thereby reducing the likelihood of disputes, bad faith, and risk of claims.

ACA urges Altalink to follow industry accepted procurement practices as set out in CCDC 23 'A Guide to Calling Bids and Awarding Construction Contracts' endorsed by the Association of Consulting Engineers of Canada, Royal Architectural Institute of Canada, Construction Specifications Canada, and the Canadian Construction Association. ACA is pleased to provide a copy of this Guide to you.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken Gibson".

Ken Gibson  
Executive Director

cc. Calgary Construction Association  
Canadian Construction Association

Attachment

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*Calgary   Edmonton   Fort McMurray   Grande Prairie   Lethbridge   Lloydminster   Medicine Hat   Peace River   Red Deer*