



October 2, 2018

The Honourable Catherine McKenna, P.C., M.P.
Minister of Environment and Climate Change
Environment and Climate Change Canada
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Dear Minister McKenna,

We write to you today on a matter that impacts workers in each of our unions in the National Capital Region (NCR) namely the [Energy Services Acquisition Program Modernization Plan](#) for the heating and cooling plants and infrastructure in the NCR.

We are firmly behind the first three main objectives of the project

- improving the Government of Canada's environmental performance
- reducing the costs of heating and cooling operations, and
- increasing safety and reliability.

However, the goal of “leveraging the private sector’s innovation, capacity, and expertise” gives us reason for concern. Turning over the operation and maintenance of the heating and cooling plants to a private company raises serious issues about accountability, safety, security, and cost.

Our fears for safety are rooted in experience. In 2009, an explosion in one of the heating plants killed a worker and injured two others. The Minister of Labour at the time, Lisa Raitt, [apologized](#) in the House of Commons for the unsafe working conditions that included a private, contracted company servicing the boilers [without](#) the proper certifications to do the work. PWGSC was [fined](#) \$300,000 for safety violations and \$45,000 in victim surcharges in this case.

In his ruling, Justice David [Paciocco](#) said: “the incident was a tragedy that contravened the basic right of all workers to work in a safe environment — especially an environment so inherently dangerous as a heating and cooling plant.”

Trusting the maintenance and operations of this infrastructure to a profit-driven, private consortium, for the next 30 years or more, will place profitability over the safety of workers, building occupants and thousands of other people who move through the areas covered by these facilities. We urge you instead to keep the control of these plants in the hands of the government, and to make their safe operation the only priority.



We are also concerned about security. Due to the nature of their operations, many of the buildings and their associated tunnels require the highest level of security clearance. The public sector workers who currently operate this system have and maintain these proper security clearances. Trusting these operations to private interests is reckless.

We are concerned about the companies that have qualified to bid on the project.

Two consortia, Rideau Energy Partners (NRG DG Development, Pomerleau and SNC-Lavalin) and Innovate Energy (Black & McDonald, ENGIE Services, PCL and WSP), have qualified to bid on the project. It doesn't take long to find examples of corruption, poor quality work, civil and criminal court cases, delays, cost overruns and safety issues for companies in both of these consortia. As an example, SNC Lavalin is currently barred from working on the World Bank's global projects because of corruption. SNC Lavalin is also a partner in Rideau Transit Group, the consortium responsible for the Ottawa LRT P3, that is now [late](#) , overbudget by [\\$50 million](#) and climbing, and costing the city unexpected expenses in extended bus service.

Lastly, we know that public-private partnerships (P3s) do not realize the cost savings that they are purported to. In the UK, the cost overruns and liabilities from P3s are estimated at [C\\$500billion](#). One reason for this is that it costs more for private partners to borrow money to cover construction costs and these higher charges are then passed on to government. Additionally, a key problem with P3s is that government ALWAYS underwrites the financial risk. If the private operator ends up abandoning the project because it is not profitable, or if something goes wrong with the project (a safety issue, a security issue, a company insolvency or bankruptcy, for example) it will be the Government of Canada that will pay the consequences regardless of cost because the buildings have to be heated.

In addition to these concerns, we would also like to highlight the fact that those who currently do this work have not been consulted. Right now, public sector workers operate these heating and cooling plants. These workers have years of experience and hold the most expertise in these plants and tunnels. They have security clearance and are even called in to fix situations in plants that have already been privatized. Yet these public sector workers are not currently at the table for this project.

If we've learned one lesson from the Phoenix pay system fiasco, it is that

consultation and working together with the personnel who have the experience, from the very beginning, must be an integral part of any change in government operations.

We therefore respectfully ask the following:

- 1) Halt this project as it is currently planned and cancel the Request for Proposals.



- 2) Meet with the personnel who operate and have a great deal of knowledge about the plants, and with them, develop a plan to meet the goals of improving the Government of Canada's environmental performance, reducing the costs of heating and cooling operations, and increasing safety and reliability that ensures that these assets, and their maintenance and operation, stay completely in the public sector.
- 3) After developing this plan, reissue a revised Request for Proposals as a Design and Build plan only.

We look forward to your response.

Sincerely,

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