



THE CANADIAN
BAR ASSOCIATION
L'ASSOCIATION DU
BARREAU CANADIEN

INFLUENCE. LEADERSHIP. PROTECTION.

December 18, 2015

Via email: gordon.sanford@tpsgc-pwgsc.gc.ca

Gordon Sanford
Acting Manager
Informatics and Telecommunications Systems Procurement Directorate
Public Services and Procurement Canada
11 Laurier Street
Place du Portage Phase III, Floor 10C1
Gatineau, QC K1A 0S5

Dear Mr. Sanford:

Re: Government of Canada Relocation Support Services – RFI # 4 (24062-140087/G)

I am writing on behalf of the Canadian Bar Association's Real Property Section (CBA Section) in response to RFI #4 – Government of Canada Relocation Support Services (GCRSS) as part of the Integrated Relocation Program (IRP). The CBA is a national association of 36,000 lawyers, Québec notaries, students and law teachers, with a mandate to promote improvements in the law and the administration of justice. The CBA Section consists of real estate lawyers from all regions of Canada. We appreciate the opportunity to offer our views on the GCRSS and proposed changes to the IRP, and hope that our input will assist you in improving the program for government employees.

Under the IRP, the Government of Canada enters into a multi-year contract for relocation services for its various employees (RCMP, Military, etc). The IRP with a service provider sets out the terms and conditions for other providers, including legal services related to the relocation. Lawyers involved in the real estate transactions under the IRP were not consulted prior to the original contract, nor as part of its renewal. In the interest of broad consultation, we would like to request a meeting to discuss the terms and conditions for lawyers when they accept a mandate under the IRP. As the current IRP ends on November 30, 2016 and the renewal/reissuance process has already begun, a meeting is both timely and appropriate.

We have a number of concerns with the current IRP.

First is the artificially low fees mandated under the IRP. Some lawyers continue to accept these transfers at the set fee for various reasons, including a sense of duty to existing clients. Other lawyers cannot afford to accept these files unless the government employee agrees to cover the difference between the amount paid under the IRP and the lawyer's usual fee. This is neither fair to the government employee or to the lawyer as a legal services provider. While the fees of real estate agents continually increase based on property values, the fees paid to lawyers has remained constant for years. In contrast, the demands on lawyers, liability exposure and operating costs have continued to increase.

The current fees, which are fixed for several years without even cost of living increases, do not represent the actual costs or adequate compensation for the time spent. The effort and responsibility associated with handling these transactions to the standard of service expected by government personnel, the law societies that govern lawyers and their insurers, is not commensurate with fees offered. Lawyers want to provide all clients with high quality services, and having a third party mandate legal fees and disbursements below the cost of providing those services runs contrary to this professional standard. It seems appropriate in setting government policy to consider local market conditions.

Second, the reporting obligations required under the IRP are unduly onerous. The insistence that lawyers adopt account and system reporting significantly different from the accepted standard used for other clients further increases the cost of these transactions.

The current IRP fee schedule may preclude government employees from using the lawyer of their choice, even if they have a long established relationship with that person.

A reference point for your consideration is the attached fee schedule for handling residential real estate transactions, prepared by the Working Group on Lawyers and Real Estate, a joint initiative of the Ontario Bar Association, the Federation of Ontario Law Associations and the Ontario Real Estate Lawyers Association. While not reflective of all markets across Canada, it serves as an example that reflects the value of legal services, in contrast to the current fee structure in the relocation contract.

We hope that a meeting will allow us to highlight these concerns in greater detail and assist you in ensuring any future agreement reflects acceptable conditions for lawyers to properly represent government employees when acquiring their most important asset.

Thank you for your consideration and we look forward to hearing from you.

Yours truly,

(original letter signed by Noah Arshinoff for Albina P. Moran)

Albina P. Moran
Chair, CBA Real Property Section

Enclosure

Annex A

[Working Group on Lawyers and Real Estate Suggested Fee Schedule](#)