

October 14, 2016

Mr. Ken Gibson
Executive Director
Alberta Construction Association
18004 – 107 Avenue
Edmonton, Alberta, T5S 2J5

Dear Ken:

Subject: Impact of the Drywall Tariff on Alberta Infrastructure Projects

I appreciate you and the members of the Alberta Wall and Ceiling Association for taking the time to discuss the concerns regarding the provisional tariffs on certain gypsum board product originating in or exported from the United States of America and imported into Canada for use on Alberta Infrastructure projects.

We have completed a detailed review of our standard forms of contract and have concluded that our contracts include provisions to ensure that where Tariff increases occur during the course of a contract, that the direct cost associated to the Tariff are to be passed onto Alberta Infrastructure for payment.

In this regard, it is only the direct cost of the Tariff that is eligible for payment. All other costs such as general increases, mark-ups or overhead and profit are not to be applied. Chris Frank, Executive Director, Project Services is available to work with the ACA and the Wall and Ceiling Association to determine the criteria for allowable amounts, project eligibility and payment mechanism. Chris can be contacted at 780 415 2502 or chris.frank@gov.ab.ca.

Alberta Infrastructure is encouraged by the work of the Construction Associations to introduce the Gold Seal Construction Industry Ethics. It is our expectation that the whole supply chain will act ethically in managing the impacts of the tariff.

Thank you for raising this important issue.

Yours truly,



Alan Humphries,
Assistant Deputy Minister, Health and Government Facilities & Strategic Executive Adviser

cc: Chris Frank