

New OSPE-PEO Working Relationship

1. Need for PEO Action

The Joint Relations Committee (JRC) had met on August 22, 2007, and discussed some issues between the Ontario Society of Professional Engineers (OSPE) and PEO which were still problematic and which are the source of ongoing conflict between the two organizations. The Joint Relations Committee concluded that the two organizations would be better served if they relied on dealing with issues of mutual interest rather than dealing through rights granted through contracts.

As an outcome of the JRC meeting, it was recommended that the contracts with OSPE be terminated and that OSPE be continued to be supported outside of contracts through the creation of a monetary category of membership where all PEO members could participate, that would be satisfactory to PEO. Section 38 of By-Law No. 1 permits Council to authorize participation by the association in the activities of OSPE. However, Council has not defined the participation it deems to be desirable for its members.

At the September 2007 Council meeting, the follow motions were passed:

That:

- a) ***the PEO-OSPE relationship be based on mutual interests of the profession and the public interest;***
- b) ***the Joint Relations Committee be requested to notify OSPE that it is PEO's intention to move forward together on a mutual interest basis and will wind up all agreements and special arrangements with OSPE as soon as possible; and***
- c) ***CEO/Registrar be directed to take the necessary steps to wind-up all agreements with OSPE.***

And

That the Joint Relations Committee be requested to request the Ontario Society of Professional Engineers (OSPE) to develop a relationship, for Council's consideration, to enable all of PEO members to participate at some level in OSPE activities.

2. JRC Discussions

The JRC has actively considered the issues over the past year. A sub-committee was formed and it developed the concept of the OSPE-PEO Accord. The committee endorsed the sub-committee's recommended approach.

The seven agreements between PEO and OSPE were considered in light of the accord and a series of recommendations have been developed to deal with the existing agreements. The major change results in the termination of the "Master Agreement" and replacing it with the OSPE-PEO Accord and separate operational and/or business agreements as needed.

The view of the JRC was that the Master Agreement had been the source of ongoing conflict and the best way to proceed would be on a "hand-shake" to agree to work together. To capture the intent of the "hand-shake" the JRC developed the OSPE-PEO Accord below. However, the group recognized that certain activities may require

operational and/or business agreements for activities such as: Advertising Agency Agreement, Agreement to transfer data, Ontario Professional Engineers Gala, etc.

Guiding Principles

PEO is committed to the long-term success of OSPE and OSPE is committed to the preservation of self-regulation of the profession by PEO, and our agreements are consistent with the following guiding principles:

1. We (PEO/OSPE) work together in the interest of the profession consistent with our respective mandates.
2. PEO supports OSPE in pursuit of the engineers' interests and member services.
3. OSPE supports PEO in pursuit of the public interest.
4. We encourage the development of partnerships when appropriate.
5. We support open and regular communication at all levels.
6. We differentiate the organizations to stakeholders of the profession.
7. We undertake regular business through operational contracts as with any other client/vendor relationship.

Our joint Approach for achieving these principles and supporting each other

1. We will review and recommend changes to PEO/OSPE agreements to ensure that they remain consistent with the guiding principles.
2. We will keep each other informed and provide open communication via multiple pathways (e.g. maintain a "Top 3 Issues" list by each organization, JRC, staff-to-staff and Chapter communications, OSPE attendance at RCC meetings, etc.)
3. We will seek opportunities to share /combine resources when appropriate
4. We will maximize the impact of our outreach activities by coordinating and avoiding conflict (i.e. public events, policy statements, Queen's Park days, PAN and GLP, etc.)
5. We will differentiate our activities to ensure that there is no unintentional overlap.
6. We will resolve all disputes through the senior volunteers of both organizations appointed to the JRC.

Table 1 below summarizes the agreements and the recommended disposition of these Agreements.

Table 1- Recommended Disposition of the OSPE-PEO Agreements

	Agreement	Purpose	JRC Recommendation	Rationale
1	Memorandum of Understanding April 15, 2000	The formation of the Ontario Society of Professional Engineers (OSPE), a member-interest society for Ontario's Professional Engineers. To separate the regulatory functions (which would be carried out by PEO) and the member-interest functions (which would be carried out by OSPE).	PEO Council authorizes the President to terminate the Memorandum of Understanding immediately by providing written notice to the Canadian Society of Professional Engineers (CSPE).	The MOU has served its purpose.
2	OSPE-PEO Agreement November 7, 2000	To set out the objects of the parties and their respective duties and obligations to each other and to the membership.	That OSPE Board and PEO Council agree to terminate this Agreement and replace it with the OSPE-PEO Accord. All future agreements between PEO and OSPE to be operational and/or business agreements. The section dealing with the database transfer would be placed into an operational agreement and be expanded to include a database transfer from OSPE to PEO of its members.	Without mutual agreement to terminate the Agreement, it may only be terminated by a majority of PEO members voting in favour of termination. The CEO/Registrar would then prepare the question, for approval by Council, for members to consider.
3	Advertising Agency Agreement February 17, 2005	Sets out the terms and provisions for OSPE to act as PEO's exclusive advertising and sponsorship representative. In this capacity, OSPE would sell advertising space and sponsorship opportunities for <i>Engineering Dimensions</i> , the PEO Annual General Meeting and the PEO Order of Honour.	As OSPE has performed satisfactorily, the JRC recommends that the CEO/Registrar seek to negotiate a new agreement with OSPE.	The CEO/Registrar to provide PEO's notice of intent to terminate this agreement. PEO and OSPE have operated effectively during 2008, living to the spirit of the Agreement.

	Agreement	Purpose	JRC Recommendation	Rationale
4	Advertising Agency Amending Agreement. March 2, 2007	Dated March 2, 2007 this agreement between OSPE-PEO amends the Advertising Agency Agreement by deleting certain provisions that prevented PEO from accepting advertising in Engineering Dimensions that competed, directly or indirectly, with any OSPE affinity or professional development programs or services.	The intent of this agreement to be built into the new Advertising Agency Agreement.	Since this agreement is an amending agreement, it has no termination provisions. It will terminate automatically when the Advertising Agency Agreement is terminated.
5	Assignment Agreement. February 17, 2005	PEO had previously entered into an agreement with CCPE, pursuant to which CCPE authorized Manulife Financial and Maritime Life ¹ to pay CCPE's constituent members, including PEO, administrative expenses calculated on the basis of premium income collected by Manulife Financial and Maritime Life from insured members under the plans instituted by Manulife Financial and Maritime Life. The amount transferred to OSPE is estimated to be about \$250,000/year. This agreement provides for the assignment by PEO to OSPE of the right to receive those administrative expenses.	The agreement should remain in place.	OSPE is PEO's member service partner in Ontario and OSPE should be paid for administering the program.

¹ Since the establishment of the Agreement Manulife Financial has acquired Maritime Life.

	Agreement	Purpose	JRC Recommendation	Rationale
6	Agreement to transfer non-regulatory activities from PEO to OSPE. July 26, 2001	<p>To transfer non-regulatory activities from PEO to OSPE. Those programs were:</p> <ul style="list-style-type: none"> • Employment Advisory Service; • Membership Salary Survey; • National Engineering Week; • Engineers are Everyday Heroes; and • Ontario Engineering Competition. <p>Note the Employer Salary Survey and administration for the Benevolent Fund were subsequently transferred during this period. All funding requirements relating to these matters have also been completed.)</p>	The CEO/Registrar advise OSPE that all obligations have been completed under this Agreement and no further action will be taken.	The contract does not have termination provisions. The transfer was an absolute assignment. The funding was for three years and has been completed. There are no other provisions that are still in existence.
7	Ontario Professional Engineers Awards ("OPEA") Gala	To set out the details regarding the appointment of OSPE as exclusive advertising agent for sponsorship of the OPEA awards ceremony.	That PEO Council provide parameters to the JRC to negotiate an agreement for the 2009 Ontario Professional Engineers Awards Gala.	The current the agreement expires on December 31, 2008.

3. PEO Membership in OSPE

Regarding the following motion:

That the Joint Relations Committee be requested to request the Ontario Society of Professional Engineers (OSPE) to develop a relationship, for Council's consideration, to enable all of PEO members to participate at some level in OSPE activities.

In October 2007, the JRC asked OSPE representative on the JRC to develop a proposal for consideration. OSPE has considered a number of strategic options regarding this issue. PEO members may participate fully in OSPE through the existing OSPE Membership programs. At the current time OSPE is not interested in pursuing this direction as it may negatively impact its professional membership. However, OSPE has presented some additional thoughts as to means by which PEO may participate in OSPE via the Constituent Member mechanism in order for OSPE to deliver on advocacy and non-regulatory matters such as the Engineers Canada advertising program components not related to regulatory activities. The Joint Relations Committee may further consider such ideas.

4. Advertising And Sponsorship Representation Agreement

Since 2005 OSPE has provided Advertising and Sponsorship Representation for PEO. OSPE has met PEO's target and increased revenue each year it has had the agreement.

Per Council direction, the CEO/Registrar provided the required notice to terminate this agreement. However, PEO and OSPE operated effectively during 2008, living to the spirit of the Agreement. The JRC recommended that an operational agreement be developed and that OSPE be offered the agreement.

Based on the spirit of the proposed Accord, the CEO/Registrar worked with the Director of Communications and Chapters and the PEO's General Counsel to develop the Agreement in Appendix C of Briefing Note C-454-25(c) - Advertising and Sponsorship Representation Agreement. The CEO of OSPE has reviewed this Agreement and is prepared to execute it.

Should Council reject motion 8, OSPE would be asked to carry on its current role until September 2009 and the CEO/Registrar would initiate a Request for proposal process base on the newly developed agreement. OSPE would be invited to submit a proposal.

5. Ontario Professional Engineers Awards

Table 2 below summarizes the financial impacts to PEO of these awards. The data for 2005 represents when PEO was financially responsible for the Awards, 2006-2008, PEO assumed the role of prime sponsor.

The table illustrates that the net financial cost to PEO is about the same under both models, however, PEO expended about 500 man-hours less in the major sponsor role. However, the cost of a ticket has climbed to \$250 from \$100 in 2005.

The JRC recommends that Council proceed with the 2009 Awards per the OSPE proposal detailed in Appendix D of Briefing Note C-454-25(c). On January 7, 2009, the CEO/Registrar circulated the OSPE proposal to members of Council and the Awards Committee for comments. All comments indicated that PEO should participate with the 2009 OPEA with OSPE. The comments are documented in Appendix E of Briefing Note C-454-25(c).

In the previous agreement, PEO received advertising in the Globe supplement as part of our Platinum sponsorship, at a higher total cost than the proposed new sponsorship package. The current proposal proposes that PEO would pay for the advertising.

PEO has booked hotel space for the 2009 Chapter Leaders Conference regardless of whether there's an OPEA. It is at the Renaissance, not the Radisson as identified in the OSPE proposal.

Table 2 – PEO Costs for the Ontario Professional Engineers Gala

OPEA Gala	2005	2006	2007	2008	2009 prop osed	Notes
Meals, Mileage and Accommodation for Volunteers, Awardees, vignette production and misc. expenses	\$51,378	\$35,352	\$29,667	\$40,030	\$42,000	Costs for Meals, Mileage, Accommodation, Parking for Volunteers, Awardees and Staff, Facilities, Equip rental, vignette production etc.
Meals, Mileage and Accommodation - Staff	\$17,112	\$11,863	\$13,133	\$17,720	\$18,000	
Consultants(event mgmt, speaker planner, etc.), Flowers, photography, etc.	\$26,445	-	-	-		
Advertisements	\$76,450	-	-	-		
Event Meals, Service charges, commissions, etc.	\$48,420	-	-	-		
Sponsorship Expense	-	\$60,000	\$50,000	\$50,000	\$50,000	
Total Direct Cost	\$219,805	\$107,215	\$92,800	\$107,750	\$110,000	
Labour Cost - Staff	\$42,000	17,500	18,200	19,000	\$20,000	Excludes support of the Awards Committee
Less Sponsorship and Ticket Revenue	(\$116,351)	-	-	-	-	
PEO's NET Cost	\$145,454	\$124,715	\$111,000	\$123,750	\$130,000	
Price per ticket	\$100	\$250	\$250	\$250	\$175-200	
Attendance (# of attendees)	500	426	450	460		