

January 13, 2020

Dear Respective Members of the Legislative Assembly,

On behalf of the Saskatchewan Heavy Construction Association and its members, thank you in advance for taking the time to hear our concerns regarding the single-window procurement process.

Our dissatisfaction with this issue is nothing new and frustrations are mounting.

It is our understanding that the ideology behind single-window procurement was to streamline processes which would enable greater efficiency and smoother operations. That's not happening. In fact, this added layer in the process has created unnecessary delays in tenders being awarded to our members.

An example of this saw one of our members waiting 27 days before he received a response for a job on which he bid. This is unheard of in our industry. On average, the process is taking 10-15 days.

These delays challenges crews when it comes to finishing dates for jobs originally proposed on tenders. Furthermore, the unpredictable winter weather complicates the timing, as machinery cannot operate when temperatures plunge.

Our contractors are feeling pinched. The delay places them at a disadvantage as they deal with the balancing act of over-promising and under-delivering on jobs.

Without question, this procurement process requires swift improvements.

Our recommendation is simple – consultation.

We respect the fact that this team specializes in procurement procedures and we appreciate the attempts it has made to repair a system that appears broken.

However, their inexperience in road building and construction and the subsequent delays is impacting the greater business community.

We as an association welcome consultation and we are available to offer input and suggestions to how we can improve operations. Good communications and consultation are central to the management process and assume critical importance when dealing with changes in working practices and procedures.

Effective consultation would allow the procurement team and our association to voice concerns and hopefully find common ground that would resolve this issue.

We are asking for accountability from our government that projects are awarded in timely fashion. After all, our members are expected to present their bids before the tender closing dates.

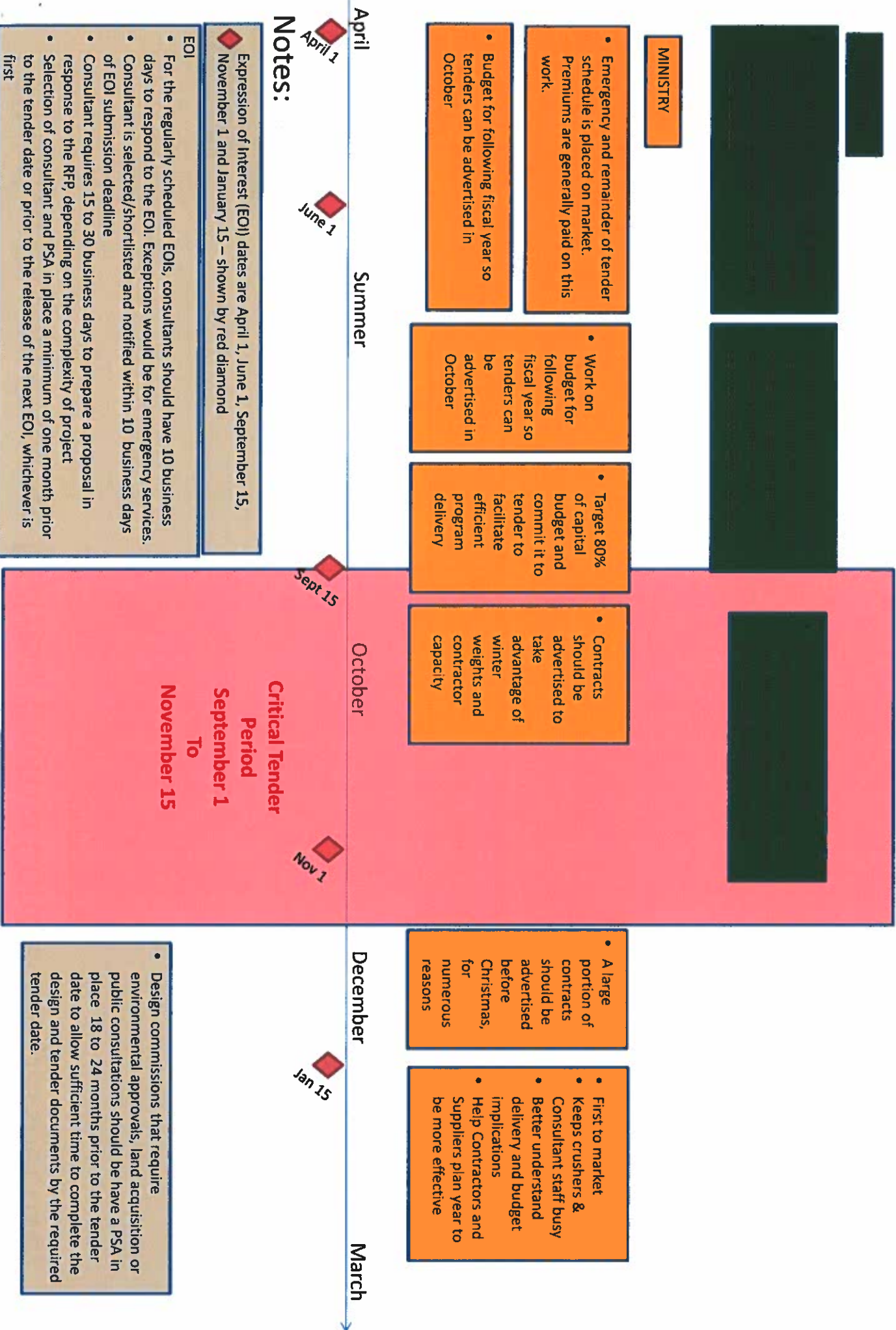
We thank you for your interest in resolving this issue and look forward to hearing from you soon regarding consultation.

Sincerely,

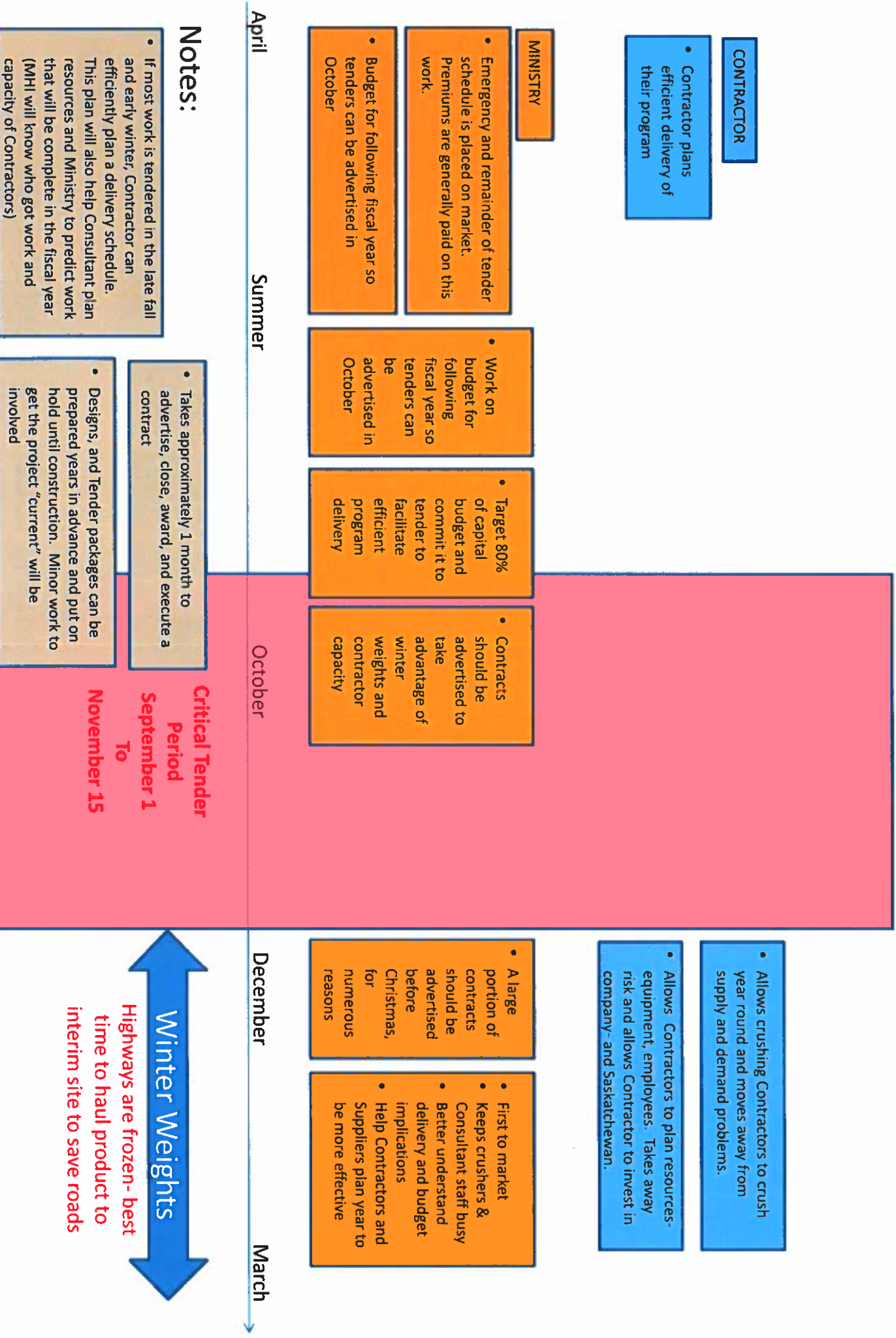
A handwritten signature in blue ink, appearing to read "Shantel Lipp". The signature is stylized and cursive.

Shantel Lipp  
President  
Saskatchewan Heavy Construction Association

# Effective Capital Program Delivery (from a Consultant perspective)



# Effective Capital Program Delivery (from a Contractor perspective)



# BETTER WAYS TO BUILD EXECUTIVE SUMMARY

The **Saskatchewan Heavy Construction Association** has prepared a policy paper outlining the significance for the economic development of Saskatchewan. The paper points out that the sector in good years and bad has been one of the largest employers in the province, creating major economic impacts and fiscal benefits to governments.

All provincial residents use the works of the construction industry every day in going to work or traveling to neighbours. Less understood is the critical and central role construction plays in building the infrastructure platforms that allow our industries to access global markets and earn the income that creates wealth for residents and governments. Much Saskatchewan wealth is founded on the agricultural and natural resources of the province and this will also still be the case for the foreseeable future.



Internationally competitive trade infrastructure will be a continuing requirement to sustain provincial growth and has been identified in the Provincial Economic Growth Plan. Investing in this infrastructure future has been challenged in recent years by a combination of administrative, fiscal and procedural practices that are weakening the ability of the construction industry to fully participate in, and support, sustained provincial economic growth. Future, provincial growth requires a continuing focus on new infrastructure platforms to:

- -transport goods and people into domestic and global destinations;
- -provide for intermodal scale transfers into more efficient movements;
- -provide for reduced congestion for daily commutes to work;
- -rebuild and expand utility networks for electricity, oil, gas and water; and,
- -support growing urban and rural populations with infrastructure for living and recreation.

Infrastructure requirements are not limited to roads and highways, but also include the critical needs for water, fuel, container and air facilities.

Global warming suggests both opportunities and issues will arise for infrastructure development and financing in the future.

In addition, issues identified by industry in infrastructure management included a lack of long term capital planning, overlapping and often conflicting jurisdictions for infrastructure decision making, unrealistic timing calls for proposals, extreme volatility in capital spending, the need for live cycle capital management planning, funding deficiencies based in part on the dependence on government funding and a need for capacity development for the construction industry.

The policy challenge for both the industry and the government is to identify:

- Infrastructure financing sources and approaches to increase and stabilize funding for infrastructure beyond the traditional government contribution levels from the public and private sectors;
- Institutional and infrastructure management and development approaches to accommodate a wider base of funding for infrastructure; and,
- Administrative Frameworks to provide for the long term planning of the sector.



One approach considered is a Saskatchewan Infrastructure Development Trust (SIDT) established as a public – private partnership and financial trust designed to:

- Develop and implement a rolling fifty year Infrastructure plan for implementation and financing;
- Expand the basis for infrastructure beyond the existing provincial base to include federal and municipal governments, the public, industries and a known share of resource existing program revenues;
- Work with the public and private sectors to secure trade competitive infrastructure for the next generation of economic growth in Saskatchewan.

The issues raised in this paper are important to not only the SHCA members but to all to the people and economy of the Province. Saskatchewan is in the midst of significant growth and change. With these changes have come new approaches to managing the construction and infrastructure portfolio of the province where large sums of public monies may be spent.

There are better ways to build and handle Construction in Saskatchewan based on:

- Effective long term planning to sustain the trade and exports based on a natural resource economy;
- The simplification and streamlining of Provincial infrastructure decision-making;
- Stable and regular annual management planning cycles;
- New approaches to public financing through a third party non-government agency;
- Structuring infrastructure finance to accommodate increased sources of infrastructure financing;
- Establishing procedures that are not tied to annual fiscal and political cycles in government; and
- A recognition of the sectors importance to economic and social growth, competitiveness and improving Saskatchewan's access to the rest of Canada and the World – the origin of most of our markets and income.



Earlier Saskatchewan leaders acted on their visions for the province. Walter Scott, the first Premier of Saskatchewan took decisions on the future without the human or financial resources of later governments. Later, after the devastation of the Dirty Thirties Douglas, Gardiner, Diefenbaker and Hamilton created a water vision for Saskatchewan following provincial economic and environmental collapse and limited funding.

It is time to supplement the Provincial Plan for Growth with its long term Infrastructure Plan in support of a stronger, more diversified Saskatchewan economy. Over time this will create the infrastructure platforms for growth that meet the vision for growth held by past, current and future Saskatchewan leaders.

The **Saskatchewan Heavy Construction Association** welcomes the opportunity to open this dialogue to improve infrastructure planning and management in the Province. The benefits of adopting this new approach will be seen in efficiency gains and benefits for the economy and society and that are shared between the public, the government and SCHA members. Please contact us at one of the points of communications listed below to discuss the issues raised in this paper further.



**Saskatchewan Heavy Construction Association (SCHA)**

**Contact Us:**

**Mail:** 1939 Elphinstone Street, Regina, Saskatchewan, Canada S4T 3N3

**Phone:** 01-306-586-1805

**Website:** <http://www.saskheavy.ca/>

**Facebook:** <https://www.facebook.com/SaskHeavy/>

**Youtube:** <https://www.youtube.com/user/SaskHeavy>



## SHCA Mission

The Saskatchewan Heavy Construction Association is committed to the heavy construction industry by actively promoting quality, cost-effective, socially responsible services for the public and its members.





## GOOD ROADS CREATE JOBS:

Saskatchewan is a trade-reliant, land-locked province. We need the infrastructure to support the efficient and timely movement of goods and services to market in order for us to remain globally competitive. Without efficient infrastructure, business costs increase and productivity decreases causing industrial and commercial facilities and jobs to re-locate out of province.

### Heavy Construction Industry supports our provincial supply chain:

- **Provincial Services:** \$352 million in services from the construction sector equal to 3,031 jobs.
- **Finance and Insurance:** Supplied \$272 million in services to heavy construction supporting 1,034 jobs.
- **Mining and Quarrying:** Energy sells \$993 million to heavy construction annually, the bulk of which was gravel and aggregate. This supported 851 jobs.

GOOD GOVERNMENTS  
INVEST IN GOOD ROADS.

DON'T CUT  
CORNERS ON  
GOOD ROADS

For more information, contact:  
Saskatchewan Heavy Construction  
Association

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[WWW.SASKHEAVY.CA](http://WWW.SASKHEAVY.CA)



WE PAVE  
THE WAY  
TO A BETTER  
SASKATCHEWAN

An efficient transportation network  
is the key foundation of a strong  
economy  
**NOTHING MOVES UNTIL THE  
ROADS ARE BUILT.**



# Heavy Construction in Saskatchewan generates a significant economic contribution to the provincial economy.



## GOOD ROADS BUILD THE ECONOMY:

- \$6.9 billion in investment.
- \$5.1 billion in provincial gross domestic product.
- \$2.3 billion in wages and salaries in Saskatchewan.
- 46,300 jobs within the province, 22,900 of which are direct industry jobs.
- \$1.3 billion in federal and provincial government revenues.
- Government investment in roads and transport is far more than grading a gravel road, building or twinning a highway or bypass or resurfacing a municipal street. Our core infrastructure is the economic artery of the province. Growth is pursued so that investments made in people and in building the province make living in Saskatchewan steadily better, year after year.
- A strong economy allows government to deliver important services such as health care, education and social services.



## GOOD ROADS SAVE MONEY:

Dollars spent fixing/building a highway, upgrading a sewer line, or building better flood protection creates jobs for engineers, planners, contractors, labourers and truck drivers who in turn buy local goods and services, invest in homes and pay provincial taxes. It's those tax dollars, paid by employers and the workers they hire, that pay for hospitals, schools, universities and form the foundation for our quality of life.

**The goals of government need to continue to be:** sustain growth, create opportunity, secure enhanced social well-being and deliver a responsive and responsible government.

Infrastructure remains within the top 3 priorities defined by the Saskatchewan taxpayers.



## GOOD ROADS SAVE LIVES:

Transportation costs continue to be the second largest item for most Saskatchewan households, even larger than food. Over one fifth of household spending in Saskatchewan is on transportation costs in the form of car payments, fuel costs, maintenance and repairs. Poor roads quickly translate to increased family expenses.

While the investment by government has grown substantially, far more will be required in the years ahead to ensure we don't leave future generations with a legacy of gridlock and congestion.



