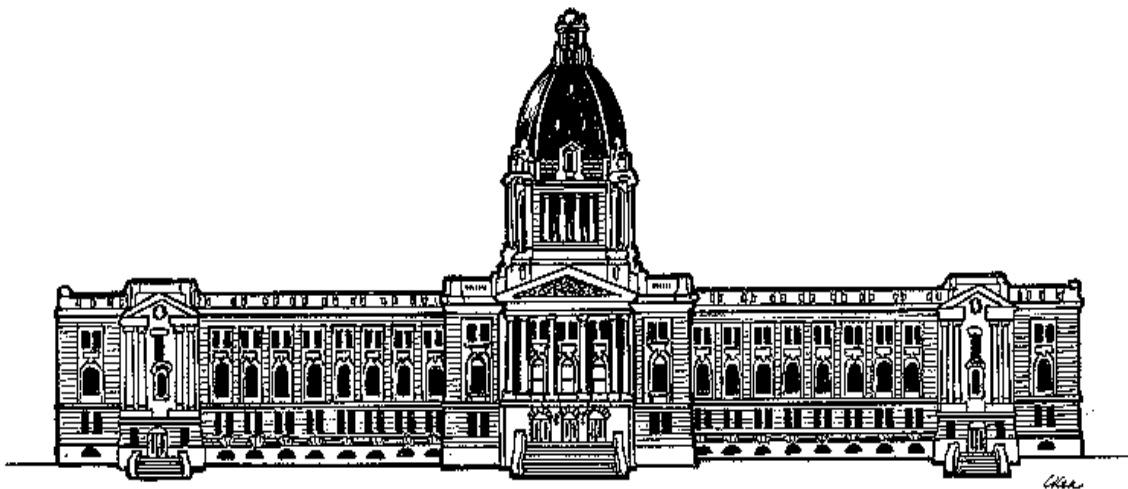




# **STANDING COMMITTEE ON THE ECONOMY**

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## STANDING COMMITTEE ON THE ECONOMY

Mr. Gene Makowsky, Chair  
Regina Dewdney

Mr. Trent Wotherspoon, Deputy Chair  
Regina Rosemont

Mr. Larry Doke  
Cut Knife-Turtleford

Mr. Bill Hutchinson  
Regina South

Ms. Victoria Jurgens  
Prince Albert Northcote

Mr. Delbert Kirsch  
Batoche

Mr. Don Toth  
Moosomin

[The committee met at 15:00.]

**General Revenue Fund  
Highways and Infrastructure  
Vote 16**

**Subvote (HI01)**

**The Chair:** — Good afternoon, committee members. It's 3 o'clock. We're going to get started with the Standing Committee on the Economy. We have some estimates to look after today. Substitutions today, some housekeeping here, is Mr. Belanger is substituting for Mr. Wotherspoon on the standing committee. And today we'll be considering estimates and supplementary estimates for vote 16, Highways and Infrastructure, central management and services, subvote (HI01). It is 3 o'clock and I would invite now, Minister Heppner, your officials are here and you're ready for questions. Do you have any opening statements you'd like to make?

**Hon. Ms. Heppner:** — Thank you, Mr. Chair. I do have some opening remarks and I will begin with letting folks know who is joining me today. With me is my deputy minister, Nithi Govindasamy. Behind me is Jennifer Ehrmantraut, associate deputy minister, operations division. To my left is Ron Gerbrandt, assistant deputy minister of design and innovation; Blair Wagar, assistant deputy minister, planning and policy; Wayne Gienow, executive director, corporate services; Gary Diebel, director of financial services branch. We also have two participants in the ministry's accelerated leadership development program with us. They are Adam Hicks and Areta Switucka.

Before I get into the details of this year's budget, I'd like to talk about the context in which it was developed. In 2012 Premier Wall unveiled the Saskatchewan plan for growth. This plan is aimed at ensuring economic and population growth becomes a permanent condition in Saskatchewan and that growth results in an improved quality of life for everyone.

Our province is reliant on exports, so transportation plays a critical role in fostering economic growth. To keep growing, we need to invest in transportation infrastructure that connects us to export markets both interprovincial and international. We also need new infrastructure to accommodate increasing traffic volumes that are a result of a growing population. We also need to maintain our transportation system so that it can operate safely and efficiently and, as you know, we inherited a massive infrastructure deficit when we came to office. Worn out pavement and bridges are not only a safety concern; they also impact the economy. Weight restrictions and delays increase costs to shippers. We need to invest in rehabilitation and maintenance to address these concerns.

At the same time, the drop in the price of oil has made this a challenging year to budget. So while there's a need to make large-scale investments in the system, we need to be mindful of the need to balance our budget. I believe this year's budget balances all of these objectives.

This year's Highways and Infrastructure budget is \$842 million. This is the largest transportation budget in the province's

history, eclipsing last year's record budget by 27 per cent or \$177.5 million. It brings total investment in our transportation system to \$2.7 billion since 2011. This exceeds our election commitment to invest \$2.2 billion over four years by half a billion dollars and it brings the total we've invested in transportation since coming to office to \$5.2 billion.

The budget includes \$560 million for transportation capital. That includes things like twinning, new overpasses, and bypasses. This includes continued work on a major multi-year investment, investments that are already under way, and new projects. Our investments this year will be focused on four key priorities: supporting trade and investment, improving safety, improving quality of life, and efficiently managing the transportation system.

Almost all of the key sectors of our economy rely on exports. This means transportation investments are uniquely positioned to support our growing economy and foster continued growth into the future.

We have some major projects this year that will have particular impact. As you know, the Regina bypass will be the largest transportation infrastructure project in our province's history. The bypass and many of its individual components, like the overpasses east of the city, have long been anticipated. We are in the final stages of doing our due diligence around the P3 [public-private partnership] process, and assuming there's value for money, we intend to break ground on this massive undertaking later this summer. This year's budget includes \$211 million to complete land acquisition, facilitate utility moves, and begin phase 1 of that construction.

Another important project is the Estevan truck route. Highway 39 is our busiest connection to the United States. Completing the truck route will make that international corridor more efficient. It will also improve urban traffic flow and save city streets from the wear and tear of heavy truck traffic. The grading work for this project is largely complete and the paving will begin this year.

The budget also provides \$7.5 million to start work on overpasses on Highway 12 at Martensville and Highway 11 at Warman, two of our province's busiest highways. These projects will ensure residents of these growing cities can get on and off the highway safely. Combined with the Regina bypass, this is an unprecedented investment in overpasses.

We are also spending \$43 million to twin some of our busiest highways. We started work on Highway 16 between Saskatoon and Clavet last year. We'll start working on twinning Highway 7 from Saskatoon to Delisle. We are also starting the work on twinning Highway 39 from Estevan to Bienfait and will continue the pre-construction work for the future twinning of Highways 6 and 39 from Regina to Estevan.

The passing lane pilot on Highway 10 has proved very successful, and this year we'll work on two other initiatives. Last year we started a series of passing lanes on Highway 7 between Delisle and Rosetown, and we will finish that project this year. We will also start the planning for a series of passing lanes on Highway 5 between Humboldt and Saskatoon.

As you know, large areas of the province experienced serious flooding again last year, and I'm very proud of how our staff responded to this emergency. Our initial response was focused on protecting public safety and restoring access as quickly as possible, and this year we'll invest a further \$15 million to focus on permanent repairs.

We'll invest over \$56 million to build, operate, and maintain the transportation system in the North. That includes \$37 million to operate and maintain transportation systems, including one and a half million dollars to operate our northern airports. It also includes \$29 million for construction. Stony Rapids is one of the communities in this region that relies heavily on air transportation. We will complete a project to repave the runway, build a much needed apron expansion at the airport, and relocate the community's access to improve safety. We'll also invest \$4 million to repave the runway at the Buffalo Narrows airport. This facility is a key base for the province's water bomber fleet.

We will also focus on rural highways, investing \$74 million on upgrades. This year we will invest \$81 million to repave at least 300 kilometres of provincial highways. Our provincial highway system includes more than 750 bridges and 62,000 culverts. This year we'll spend \$46.2 million to repair, rehab, or replace these structures.

The focus of this year's budget was to continue to make targeted investments that improve the quality of life for our citizens and keep Saskatchewan on a growth trajectory. At the same time, Saskatchewan people expect government to live within its means and balance the budget. Achieving these goals requires trade-offs and sometimes difficult trade-offs, but I believe that this year's budget strikes the right balance.

Those are my opening remarks, and my officials and I will be pleased to answer any questions committee members have.

**The Chair:** — Thank you, Minister Heppner. Do any committee members have any questions for the witnesses? I recognize Mr. Belanger.

**Mr. Belanger:** — Thank you very much, Mr. Chair. And of course welcome to the officials as well. And we do want to indicate at the outset that we'll be bouncing around from region to region and from issue to issue on highways, Mr. Chair. And I would just prepare the officials for that in the sense that we're going to be talking about roads that impact tourism. We're talking about the Regina bypass as well. We'll be speaking about some of the northern roads, and as well as some of the budgetary items that have been identified. And this is our first foray into the Highways estimates so there are several people that are paying attention to what is being said at this committee hearing or this committee meeting in the sense of paying attention to what's going on.

And I'll briefly explain to them that just from our perspective as the opposition, it gives the opposition the opportunity to go through the budget, ask questions of the minister of her particular portfolio, that being Highways. And this is where we can exchange a lot of information in terms of what the strategy is, what the costs are, what's being spent, where, when, and how, and so on and so forth. So at the outset I wanted to say

that I will be bouncing around. So it's all about getting these questions answered and certainly trying to cover as much ground as possible.

The first question I have in relation to the importance of tourism, really around two highways that we've been speaking about on a regular basis in the Assembly, and this is Highway 322 which is just north of here, and also Highway 220 which is from Bulyea to Rowan's Ravine. And we had presented petitions on this particular highway, my colleague has, in the past session. And really the issues on these two particular highways which serve a large number of people, in particular the tourism industry, he has indicated there's a lot of concern being expressed by a number of people that do use these highways. Obviously it's bad for business and it really hurts tourism for the provincial park in that area.

And above all else, people are basically saying that these highways are a disaster. They're barely passable, never mind dangerous. It's really becoming a major problem. So a lot of people have signed petitions. People have been lobbying the opposition and a few other MLAs [Member of the Legislative Assembly], one of my colleagues being one of them, to get answers on Highway 322 and also Highway 220.

Now what they would like to know today — and this is something that's really important to them; they're really paying attention to what's being said here today — is, will these two roads be fixed immediately? What are the ministry's plans for those two particular highways? And what are the timelines to address each of these highways?

**Hon. Ms. Heppner:** — I thank the member for their question. This has been raised with me I believe at SUMA [Saskatchewan Urban Municipalities Association] this year. One of the folks there had asked about these two particular highways as well.

We understand that they're in pretty rough shape. We have folks out looking at them today and tomorrow. It is quite wet out there, and once it dries out we're going to be sending crews in to do some regular maintenance to patch them up. There are no plans in this year to do any kind of major rebuild, but we do have crews out looking at them right now and we'll get to them, from a maintenance perspective, as soon as we can get in.

**Mr. Belanger:** — Has there been any vehicle counts or estimations as to what the cost might be to upgrade those particular roads? The point that I also wanted to raise is that there's a lot of farm families and, as I mentioned, businesses and tourists that use that area. It's an incredible draw in a sense of people wanting to go up and down these roads. And just of course east of there is also another problem area in a sense of highway problems that were identified several years ago. So that particular area is really, really having a dramatic effect on aspirations for the local businesses and for people that are using these roads every day and of course for the tourism industry.

So they would really like to know in terms of the costs, what they are, and obviously what the traffic count is. These are all real relevant questions. And obviously if there is a timeline, is it not within this next five years or is it being considered in the out years? That's kind of the question I have on these two particular highways.

[15:15]

**Hon. Ms. Heppner:** — To do a complete rebuild on these roads would cost about \$800,000 per kilometre. Just checking the map for an estimate on length, it's about 48 kilometres of road from what we can tell between those two highways. So rough cost estimate for a rebuild is 35 to \$45 million. The traffic counts on those roads, on average, Highway 322 is 240 vehicles per day; Highway 220 is about 210 vehicles per day. So if you look at the total cost estimate and put that up against what the vehicle count is, it's a pretty expensive repair.

We understand the tourism impact and, like I said, we will be out doing regular maintenance. But the one thing that we have to do — and it's like this in any ministry but I think particularly in the Ministry of Highways — is we have a set budget every year and have to pick priorities. And when we look at highways that have vehicle counts of thousands and thousands and thousands of vehicles on them every day, we have to make sure that we're balancing out our priorities and putting the money . . . making the best investments we possibly can. This would not be a cheap project. Like I said, just very rough estimates would be 35 to \$45 million for those two roads.

**Mr. Belanger:** — And is it fair — not wanting to put words in your mouth — but is it fair to say that these two highways are not within your five-year time frame in terms of being your priority to repair?

**Hon. Ms. Heppner:** — They're not on our long-term capital plan for a rebuild. The maintenance work will continue though.

**Mr. Belanger:** — And that gives me a good segue to the other issues that we wanted to bring up in terms of the actual costs. I guess some of the . . . You know, obviously we're aware that over time, capacity in road building is some of the greatest challenges that we have when we look at ways and means of improving the transportation system throughout the province. And there are many who say that the capacity isn't there. Others say that we need to spend time developing capacity, all the while watching the bottom line in terms of what the costs are. But over the last number of years I guess the question I would have as it relates to the costs of highway maintenance and construction . . . I've got a series of questions that I'd like to ask.

One of them, the first question is in terms of the . . . What would you say are the current low and high per-kilometre estimates for building a twinned paved highway as a starter?

**Hon. Ms. Heppner:** — Just for clarification, to build from scratch or to . . .

**Mr. Belanger:** — To rebuild.

**Hon. Ms. Heppner:** — To rebuild, not just build brand new?

**Mr. Belanger:** — Yes.

**Hon. Ms. Heppner:** — That was paved twinned?

**Mr. Belanger:** — Yes.

**Hon. Ms. Heppner:** — I'm just going to have Ron answer this question because he'll have more details.

**Mr. Gerbrandt:** — So in regards to looking at twinning, it really depends on whether or not we're adding one additional lane adjacent to an existing lane. Normally in that case we're looking at 1 million as a low, up to two and a half million dollars as a high. If we have to look at adding two additional lanes where we're looking at a full new location, then it's going to go up accordingly. So in that case we're looking closer to 4 million to four and a half million dollars. It will depend on proximity of where we're working. It will depend on how much material's required, how far a haul we have to haul for some of the materials, whether we have to purchase land or how much land we have to purchase, whether there's utilities in the corridor. A whole number of factors will impact the overall cost at the end of the day.

**Mr. Belanger:** — So in terms of like for example Highway 39, I believe it's between Estevan and Weyburn, you have a fair amount of what a new, a brand new, from scratch cost for a twinned paved highway. Obviously that's one of the examples that we've been hearing about.

**Mr. Gerbrandt:** — For that particular case, we know that we are in a fairly aggregate-scarce area. There are some relatively wet areas in there, so up to this point we've been using about two and a half million dollars per kilometre to add the four lanes in that case.

**Mr. Belanger:** — And now shifting a bit to the granular-surfaced highways, again we need to know the questions of what are your current lows and highs on a per-kilometre estimation for building granular-surfaced highways.

**Mr. Gerbrandt:** — In that case, if we're taking an existing, what we have considered a thin membrane surface, so taking a TMS [thin membrane surface] road up to a granular pavement, we're normally in that 800,000 to \$1.2 million range, depending again on availability of aggregates, what the current condition of the road is, whether we have to do a whole bunch of grading work in advance of putting a pavement on top of it.

**Mr. Belanger:** — And these estimations are fairly new in terms of how you price these out? Is that correct?

**Mr. Gerbrandt:** — We typically will look at updating those costs on an annual basis or as an add need basis, depending on what the market looks like at a particular time. When we get into detailed design work, we get a much better perspective of what the cost is. At normally just general engineering, that's what we're using for planning costs.

**Mr. Belanger:** — On the other type of highway in the province, again what would be the current low and high, per-kilometre estimates for building a gravel highway?

**Mr. Gerbrandt:** — For gravel highways, and we've done a couple of super grid projects over the last couple of years, we've looked at an average cost of \$400,000 per kilometre to build them. When we get to the particular road, what we're finding is it will depend on what the existing road is. So we've

had them as low as \$200,000 and could go up as high as 800 to \$1 million a kilometre, depending on the topography, what the conditions are, again land procurement, utilities, and other things.

**Mr. Belanger:** — And in terms of the current low and high per-kilometre estimates for resurfacing, what would be that range?

**Mr. Gerbrandt:** — Resurfacing . . . What I'm assuming you're asking is when we go out and rehabilitate or repave a particular road. In those cases, we're somewhere in the range of about 350,000 to 550,000 per kilometre, depending again on haul distance and thickness of material that we're putting down and so forth.

**Mr. Belanger:** — Obviously, like you said, there's a number of factors attached to that. How successful has the department or the ministry been in working within these highs and lows? Have they been fairly steady in terms of your predictions?

**Mr. Gerbrandt:** — They're relatively consistent. The reason we do have the highs and lows is to take into account where we do have unique circumstances or cases where we do add additional material to allow us to get to a 15-year design parameter. In some cases where, readily, aggregates are available, they are towards the lower end. And in cases where we have long hauls . . . What I mean by long hauls, it could be hauls that are in the 60- to 100-kilometre range. Then the cost goes up substantially because a large portion of the cost is hauling the materials to site to build or rehabilitate the road.

**Mr. Belanger:** — And I would assume, based on all the information and the data that the ministry has, that there are certain areas that are consistently higher than other areas. For example if there's a wet area, like we know southeast Saskatchewan has a lot of water problems, obviously it'll cost more there. But is there generally areas in there that have more of a cost increase for highway maintenance and construction generally in the province?

**Mr. Gerbrandt:** — It can be a number of factors that we take into account. When we get into moisture conditions and so forth, if we have relatively low grade lines or we need to increase the height of the grade line and the height of the surfacing to take us away from those wet conditions, the price does go up. So for example in some parts of southeast part of the province, we have had conditions where we've been dealing with wet conditions over the last five years or so, and so we've had to look at increasing design parameters to address that.

Second part of the question would be the fact that we do have aggregate-scarce areas in our province, for example around Kindersley in those areas, where we've had to haul materials for anywhere from 60 to 100 kilometres. In those cases a lot of the cost of the project is actually factored into the fact that we have to haul the material that far. If we can get into situations where we're only hauling 10, 20, and 30 kilometres, the project cost is substantially less because of the time and effort that's required to haul that material.

**Mr. Belanger:** — And the final question in terms of the general cost is, again what are the current low and high per-kilometre

estimates for grading overall?

**Mr. Gerbrandt:** — Back to the grading question, like I said before, we're using estimates of around 400,000 to around \$750,000 for grading. That again is going to depend on whether or not it's a full brand new road or whether we've got an existing structure that we're building over top of. It's going to depend on the amount of material that we need to bring to site. If it's a full brand new road, we can be looking at anywhere from 40 to 60 000 cubic metres a kilometre, and so it gets quite a bit higher. If we've got an existing road that's there and we just have to widen it slightly and maybe only bring it up slightly, then the costs are substantially less. So it really is project dependent on what the actual design work is required to build the road.

**Mr. Belanger:** — Okay. Thank you. I also noticed in terms of the estimates here as well, again shifting gears here a bit, the strategic municipal infrastructure road strategy was cut \$9.5 million which is roughly a 37.3 per cent decrease. What's all involved with these cuts, and can you explain why the cuts took place in this category of your budget?

**Hon. Ms. Heppner:** — Thank you for the question. Yes. As I said, and I think the Premier was clear when we were putting this budget together, that it was going to include some difficult choices for us, and we were asked to look for potential savings within our ministry. I know that we were asked to absorb a lot in our ministry, whether it was flooding or flood repairs and that sort of thing, to absorb that into an existing base budget.

One of the areas that we looked to achieve some savings was the MREP [municipal roads for the economy program], the municipal roads program, as well as the urban highway connector program. I'm guessing that you're probably going to get there next, so I'll pre-empt your question a little bit, but the explanation remains the same. So we asked those folks for this budget year to basically help us out in our budgeting so that we could come in at a balanced budget.

[15:30]

I do want to point out though that the MREP program over the last several years has been budgeted about \$25.7 million, and they generally have a carry-over of about \$6 million worth of work that they aren't able to complete, so in any given year, they have about 20, \$21 million of work that's being done. So even with the reduction in this year's budget to \$16 million, they have about \$5 million in carry-over from last construction season, so the amount of money that they have to work with this year is still about that 20, \$21 million range, which is pretty consistent with what they've been able to spend on an annual basis.

So while it is a cut — I'm not saying it isn't — it is a cut, but it's I think probably more manageable than it probably appears on paper because of the carry-over from last construction season. There's still going to be about, like I said, about \$21 million worth of work that's available to our rural municipalities. And there was also a small reduction in the urban highway connector program, just over \$700,000, and that was there for the same reason.

I've told both of those groups, obviously you cannot predict what's going to be happening in 2016-17 budget, what revenues are going to be like or what position the province is in. But I would be going back, if I still have the privilege of being Highways minister the next go-round, to try to reinstate those. But like I said, I can't say what treasury board and cabinet finalization is going to be, but this was a one-year adjustment to the funds that they were getting to help us out with our budgeting process.

**Mr. Belanger:** — What would you attribute the . . . Because obviously as we would both know, people have the opportunity to take advantage of government programs. And in particular for highway improvements, most people will take full advantage of the resources that are available, which is smart to do.

But what would you attribute the fact that . . . Okay, you've been allocated a certain amount each year. You typically don't spend that amount. You spend \$21 million, as you indicated, around that mark, so the reduction that you've explained here was the fact that many of them were not using the full amount. What would you attribute as to the reason for them not using the full amount? Is it capacity? Is it timeline? Is it moisture conditions? What would you attribute the lack of uptake on the programs would be a result of?

**Hon. Ms. Heppner:** — The program itself has about a \$750,000 cap on any given project. There's several issues that will affect whether or not projects get completed in any given construction season. Obviously one is weather. We've had some particularly challenging issues with flooding in the last few years. Another one is the difference in timelines between RM [rural municipality] budgeting and ministry budgeting, contractor or consultant capacity because obviously those are requirements of the work. So there's several factors that will come into play in any given construction year as to whether or not these projects do get completed.

**Mr. Belanger:** — Are you able to share with us some of the projects that would not proceed this year, some of the bigger, more important projects that obviously . . . We'd like a list of the entire projects that, as a result of the cuts, would not receive support this year because obviously people have a wish list, I'm assuming, and of that wish list, if you're able to share that with us and explain some of the bigger projects, the more important projects that would have to be delayed further as a result of this cut.

**Hon. Ms. Heppner:** — I have been told that the RMs that . . . I have a list of approved projects but the RMs, for the most part, actually haven't been notified whether or not they're on the approved list. So I'm not trying to evade your question, but it would probably be inappropriate to say now what's on the list and not when the RMs themselves haven't been notified.

**Mr. Belanger:** — Following the notification, which we can certainly respect that process, but in the sense of them being notified, would we be able to get a copy of that after they're notified?

**Hon. Ms. Heppner:** — I don't see that there would be a problem with that.

**Mr. Belanger:** — All right. Now if I can again shift gears, again to the highways tendering process. I've just got a number of questions on that particular because it's a big, big part of what the ministry is involved with, and a lot of people pay attention to this. There's a lot of folks that are keenly interested in the tendering processes with highways.

Some of the basic questions I have at the outset, well let's start off with a few of them. The first question I have is, how many contracts in the last year have been allocated through an invitation to tender? And can you explain what an invitation to tender . . . like, the process that you undertake as a department. These are for the lay people that are watching the program.

**Hon. Ms. Heppner:** — Just for clarification to the member who asked the question, there's two separate processes. One is invitation to tender, and then there's the open public tender. I just want to make sure that we're discussing the same things. You're looking specifically for invitation to tender, not the public tendering process.

**Mr. Belanger:** — Well just to explain, we're looking at the four categories that we think . . . You know, there are changes to the processes that we noticed. There's the invitation to tender. There's the advanced contract award notice, request for proposals, and public opening. Those are the four general categories that I believe you're utilizing under the highways tendering part of the ministry, and if you could explain what the differences are between those four categories and again then how many contracts have been awarded through those four categories.

**Mr. Gerbrandt:** — I'll answer the question. Do you want to go through the list one by one and then I can respond to each one individually?

**Mr. Belanger:** — Okay. If that makes it easier, sure. So I guess the first question I have is how many contracts in the last year have been allocated through the invitation to tender?

**Mr. Gerbrandt:** — In regards to numbers, I don't have the exact numbers in front of me, but I will explain the process. Typically if we go to an invite tender, it's normally in cases where we're undertaking emergency work or work that is unplanned and comes up at a moment's notice. Typically it's a very small number compared to what we would do through a public tender. The majority of our projects, we will go through public tender to ensure that we're getting the best value through a public bidding type process.

With an invitation to tender, they are typically smaller in value, normally will be less than \$100,000. In some cases they may be higher than that where we have to deal with an emergency situation. For example during our flooding event last year, we had a number of bridges wash out. We had a number of culverts wash out. And so in those cases, we went to invitation to tenders.

Normally what we will do is we'll contact our construction association and let them know that we're going to an invite. If they have members that are interested in that work, they will provide us with that list of information, and then we will also look at whether or not there's also a local contractor that we

should also contact. So an invite to tender allows us to react to a specific situation in a much timelier fashion than having to deal with a larger public tender process which may take us several months to do a design, do a tender package, and then go through the public tender process.

**Mr. Belanger:** — And would it be fair to assume that again, based on last year's and the year before's water issues, that the invitation to tender on specific areas is probably utilized a lot more than in the past? Is that fair to assume?

**Mr. Gerbrandt:** — When we get into emergency situations like a major flooding event, we will utilize those particular types of procurement to ensure that we can react, get roads re-opened, or try to get them open as quickly as we possibly can. So it does provide us that ability to do that. There again we try to include as many contractors as we possibly can to (1) make sure that there's capacity to do the work, and try to get an adequate bid to do the work.

**Mr. Belanger:** — How do you normally award these contracts? Is it through contact with the construction association chapters, if there are chapters out there, or do you have a data bank of contractors that you utilize from time to time? Like how do you do the invitation to tender?

**Mr. Gerbrandt:** — Normally our first step is to go to the construction association, who has a really good understanding of the types of contractors that are available. So if it's a surfacing project, for example, they know all the surfacing contractors. If it's contractors that focus on bridge work, they have a list that also that they can reference us to.

In some cases there may be one or two contractors that aren't members of the Saskatchewan Heavy Construction Association. We are aware of those individuals too, so we do have an opportunity to include those. Like I also said before is that if we know we're working in a specific area, a lot of our district operations managers know the local contractors, the types of equipment they have, the type of resources that they have. So there again we would include those too in those manners if we know that there's a certain capacity to deliver the work.

**Mr. Belanger:** — So there isn't a requirement by the contractors out there to be part of the contractor's association? You're aware that they are out there and you utilize them on a regular basis, and really the contractors association is there for convenience for your perusal in terms of the services that they might offer.

**Mr. Gerbrandt:** — We do know that there are specific contractors that aren't members of the association but have the capability and the knowledge to do the work, so we don't alienate them from the process. Including them is part of the process. So we try to maximize as much of our contractor force as possible to try to address these particular emergencies on as quick a basis as we possibly can.

**Mr. Belanger:** — Okay. And you did mention that you didn't have the figures available. Was it because the process is not completed yet and you'll be able to get that information to me later? Or just that because it is just start of the season and it takes a bit more time?

**Mr. Gerbrandt:** — No, we can certainly get the information for you and share it with you.

**Mr. Belanger:** — Because I just want to be clear that one of the . . . After I ask for an explanation of each of these categories of tendering, it would be nice to know what value is attached to each because it's really an important part of understanding the department better.

The second avenue is . . . So the invitation to tender has been explained in terms of how it's being utilized and what purpose. The second question is in terms of the advance contract award notice, if you can explain that process. And again if there is dollars spent available now, great. But if not, if you could undertake to get that to me, that would be great as well.

**Mr. Gerbrandt:** — I'm not sure exactly what you mean by an advanced . . . Could you repeat the question please?

**Mr. Belanger:** — I understand that some of the processes when you tender out work for Highways, one of the options is advance contract award notice. I'm just wondering whether there's an explanation as to what that's about.

[15:45]

**Hon. Ms. Heppner:** — Thank you for the question. It's not a process that's used very often in Highways at all. I know being a former Central Services minister it's used more in their ministry, I believe. But what the process would be if we use it — it would be more of an emergency situation — is if we needed work done and we knew a contractor who was able and willing and could do the work, we would award the contract and then make it public that that particular contract was awarded to that particular contractor. And when that information is made public, if there's other contractors who would have bid on the work had it gone to public tender, they're fully capable and able to challenge that process and come in with a bid to see if they are the better contractor in that particular situation. But it's not a process that the ministry uses very often.

**Mr. Belanger:** — Okay, and if we can get the dollars attached to that as a part of the information that we would expect.

The third component is the request for proposals. Now that again, we need to know what that process is all about and what dollars are spent on that particular aspect of tendering.

**Mr. Gerbrandt:** — For the request for proposals, it's not something we typically do on our contract or contractor work. It's more common that we use when we procure engineering consulting services. So any projects that we know are going to be greater than \$500,000 in value for engineering services, we go to the consulting industry for requests for proposals. So what that allows them to do is provide information on what services they have to offer, what team they have to put in place, what the cost will be associated with the work that they're going to undertake. So anything that we have in our engineering consulting work that's greater than \$500,000, we do use that particular process.

We may also use it on lower cost projects for engineering



services in cases where we know we need specific types of engineering and so forth. So there may be projects that are less than the \$500,000 range that we may also use that for. There again I don't have numbers but we can provide you numbers with that.

In regards to contract work, we do use it on some of the more larger, complex projects, and the Regina bypass project is a good example, where we've gone through an RFQ or a request for qualifications and then we've short-listed a number of proponents to do the work. And then they go through an RFP, request for proposal to undertake the work. And so that's one of the things we're working through on that particular project right now.

It's not used a lot in our contract delivery. It's more used in our engineering, construction administration, and other types of engineering type work.

**Mr. Belanger:** — Because obviously there will be a lot of questions on that particular process as we talk about the bypass project in general. But the final component of the highways tendering process being used to award contracts is the public opening. Can you explain that process to the folks that might be watching and again the dollars attached to that?

**Mr. Gerbrandt:** — Okay. With the public tender process, we do have a large number of our construction projects that go through the public tendering process. So we do complete design work, tender packages for a number of different contracts that we deliver. The majority of the work that we do on the construction side goes through a public tender process. So projects that typically have a value greater than \$100,000, we will put through a public tender process. So any planned work that we have, any work that isn't of an emergency nature, all that particular work goes through a public tender, or a large majority of that work would go through public tender process.

So it is our most common method of procuring construction services. I don't know if we've got the numbers. There again we can provide you with the numbers of the number of contracts, what the value. But that is the majority of the work that we do, at least on our capital program that the minister alluded to earlier, would go through that type of procurement method.

**Mr. Belanger:** — Is it fair to ask for a time frame when the information from you, in terms of the costs, could be expected by my office?

**Hon. Ms. Heppner:** — Consulting with the folks from the ministry, the ministry is in the process of doing their year-end. I'm told that while some of us have an Easter break next week, these folks do not. They're going to be working all the way through trying to put year-end together. So we will try to get it to all committee members as quickly as possible, but I'm unable to give you a timeline right now just because they're busy doing their year-end work which obviously has to get done. But it will be presented to committee as timely as we can considering the other work that they're doing.

**Mr. Belanger:** — Okay. The other issue, as a result of some of the tendering processes that we've undertaken, we noticed that

there's a change to the processes. Are any of these changes being influenced by example, the New West Partnership that was signed with BC [British Columbia] and Alberta, the agreement on interprovincial trade? Does that have any bearing on how we're conducting our tendering processes? And a final question is, have you made any particular concession or effort to try and protect Saskatchewan-based services and contractors to ensure that . . . You know, every jurisdiction wants to do this, is obviously is to try and get as much of the work being done by local contractors as possible without contravening these trade agreements and being viewed as a protectionist province. So any of the agreements under the New West Partnership or the agreement on interprovincial trade, none of that had any influence and it doesn't challenge the agreements by the manner in which we do highways tendering?

**Hon. Ms. Heppner:** — I'll offer a few comments and then my deputy minister will follow up on the specifics on New West Partnership and the AIT [Agreement on Internal Trade] and the effect or non-effect that has on our tendering process. I know that one of the questions I had asked when I was first in the ministry was how many of our contracts go to local contractors and how many go to out of province. The vast majority go to our local contractors. And I spent a lot of time in speaking with executive at Saskatchewan Heavy Construction Association. And I don't want to speak for them today, but it's actually not an issue that's ever been raised with me since I was named Highways minister last year, about their concern about out-of-province contractors coming in. Our contractors are busy. We're asking them to do more than they've ever done before in this province. And so from my perspective as minister, in my discussions with the folks involved in the industry, it's not a concern.

I don't believe that we will be moving in a direction to restrict out-of-province. There's companies from Alberta who come in, do a good job. And like I said, there's lots of work to go around. If it becomes an issue, obviously happy to have those discussions with the contractors, but it's not been something that's been raised with me as a concern by them. And I'll let Nithi have a few more comments on the specifics of the trade agreements that we have.

**Mr. Govindasamy:** — So we do have, you know . . . Saskatchewan is a signatory to a number of trade agreements, both interprovincial and international. And there are certain limitations with respect to our requirements with respect to public tendering of projects. And in this province, particularly with respect to the Ministry of Highways and Infrastructure, we are pretty careful to make sure that we are living within the obligations and trade obligations that we have signed on to which requires us to publicly tender projects above a certain dollar threshold. And there's a number of different thresholds involved. So while we have got . . . And our Saskatchewan contractors and consultants also have the ability to be able to bid on projects in other provinces under the New West Partnership as well as the AIT. So for the most part in fact we've been very careful to make sure that we comply with the requirements under our trade agreements. Having said that, we did do an examination of the contractors and the kinds of contracts that are going out, and it's fair to say that the majority, the vast majority of contracts that are put out there on an annual basis go to Saskatchewan-based contractors.

**Mr. Belanger:** — Okay. Thank you very much. And just to indicate, obviously we're certainly aware of the constraints, not necessarily the constraints but the agreements on interprovincial trade and of course the New West Partnership. We obviously are very proud and very supportive of the contractors association and our own Saskatchewan-based businesses. We feel much like most other Saskatchewan persons, that our companies can compete on a very, very good basis and that we needn't be worried about their performance and certainly their professionalism, because we think that they can measure up with any company right across the country if not the world. So I just want to make sure that, you know, we had some basic understanding of the challenges on interprovincial trade.

The other point that I was going to, maybe again before I shift to a different area, is just to ensure that information in terms of the costs are really important to us. So we are anticipating receiving that, and of course in a timely fashion. It's something that we would anxiously await.

And shifting gears again, I want to go to a bit about northern Saskatchewan. Obviously we're pleased that Buffalo Narrows airport is getting an upgrade. It's a very busy airport and Buffalo Narrows is also a very active community in terms of developing the economy in their area, and of course Stony Rapids as well, being the gateway to the Athabasca Basin and many really big communities such as Black Lake and Fond-du-Lac.

I guess some of the other issues that I'm getting information from my colleague from Cumberland . . . I want to spend a bit of time with his issues that he's brought forward. He's brought a number of issues forward to ask these questions of the minister. He's obviously quite concerned about the highways all throughout his constituency, and some of the ones that he's identified are some of the ones that I want to talk about very briefly today before we go into the Regina bypass issue.

The first one, of course, is on the Sucker River bridge project. I'm sure the minister is probably aware that, in a sense, that the band councils at Sucker River are basically asking a number of things from the Ministry of Highways. And one of them is that they have agreed to decommission a bridge that was formerly under Highways authority, I think.

I'm not sure if the minister is familiar with the layout of the Sucker River Band but Highway No. 2 North skirts the band and as you pass the band, there's a bridge that's near the Indian band location. You can actually go off Highway 2 and head into the reserve. But there's a bridge further inland that connects the two parts of the reserve that's separated by a river, and that bridge is supposed to be decommissioned.

Through the process of discussion and negotiation, the Department of Highways offered 25,000 to decommission that bridge. The band is saying that they cannot afford to do a decommissioning of that particular bridge for that price.

[16:00]

Now in the process of transferring land, it was obviously transferred and then the price was offered. And they're coming back saying, after the fact that the land was transferred, well we

can't do it for that price. It's going to be 250,000. So the ministry has basically I think indicated that they're not interested in doing that. My colleague, the member from Cumberland, would like to implore the minister to relook at that, because obviously the end game here is that they are negotiating with I believe it's Indian and Northern Affairs to get a new bridge built. But I think the federal government is not interested in doing any cost associated with decommissioning that bridge, but the bridge must be decommissioned first before a new one is installed.

So I would ask the minister if she has any background information to share with us on the Sucker River bridge.

**Hon. Ms. Heppner:** — Just for clarification, the bridge is on reserve, or is it off reserve?

**Mr. Belanger:** — I think it's on.

**Hon. Ms. Heppner:** — Because obviously that goes to federal funding, right?

**Mr. Belanger:** — Yes. It is on, but during the discussions to transfer land to the Indian band with the province, the Indian band inherited that bridge with the price tag of 25,000. And they're saying, after the fact, well hold it here; we can't do it for that amount. We need a new bridge. That's the bottom line here. But I don't think Northern Development Canada, who's associated with INAC [Indian and Northern Affairs Canada] on this . . .

Well the federal government is basically saying, we may be interested in building a bridge, but we're not going to do anything to cover the costs of decommissioning the current one. You're on your own on that one. And this was a bridge that was currently under the control of Highways. It used to be a Highways bridge. So we need to get that clarified.

**Hon. Ms. Heppner:** — I don't have any information on this with me today, but I am happy to follow up with ministry officials, the folks in the region, to find out exactly where this is. And I will get an update back to committee and to the member for Cumberland specifically, as soon as I possibly can.

**Mr. Belanger:** — Yes, that would be appreciated. Because SAL Engineering is the one giving them advice, and according to my notes here, and this is a note right from the band itself, and the letter basically explained that when we did the land exchange, the province included the bridge in the transfer. So this is from their own document. So I'm assuming when they transferred the land, the bridge came along with it and Highways basically offered them 25,000 to decommission it. Because it's not being used; it's deemed a safety issue. So as a result of that, the cost is 250,000.

And it would help a long ways in the band negotiating with the federal government as to whether they're able to get the bridge project through, which I think is 2.5 million. So really a \$250,000 project to decommission that bridge is holding up the larger solution. And that's what I think they want to explain to you and to share with you.

The other issue is in relation to Stanley Mission road. I am

going for a tour on the Stanley Mission road, and we're hoping to do that within the next four or five weeks. And what they obviously want to do is, as the minister may not know, is that as you head north from La Ronge on Highway No. 2, you come up to a junction and of course you go up the . . . You turn further east to get into the Stanley Mission First Nation's community. And I've travelled on that road a few times and it is very dangerous. It's very windy, and it's a winding, dangerous, sometimes poorly maintained highway. And I think it's not poorly maintained to the fact that there has been a lot of effort by your staff in the La Ronge area to do the best they have, but they really want to see some improvements to that. And I guess on behalf, of course, by my colleague, he would encourage the minister to travel that area and to visit with Stanley Mission and to see some of the challenges that they have with the community access road.

**Hon. Ms. Heppner:** — I'm going to have my deputy minister answer the specific question on the Stanley Mission road, but back to the previous question on the bridge issue, do you know if the letter from the First Nation went to me or my ministry?

**Mr. Belanger:** — The letters I'm making reference to are briefing notes that were sent to me by Mr. Vermette.

**Hon. Ms. Heppner:** — Okay. I was just wondering if I could get a copy, and if it was a letter that my ministry had, we would look for it internally. I'll hand it over to you.

**Mr. Govindasamy:** — This is 915. I'm familiar with the road because I did go and travel up there in the last couple of years. And I believe that the maintenance work, part of the maintenance work as most of the maintenance work on the northern highways that we are responsible for, has been contracted out to locals and First Nations. They're doing a pretty good job, as you've noted.

I don't have any major capital plans for 915 at the moment. But we will have a . . . You know, we'll take a look at it in terms of are there some issues related to 915 that require us to, if . . . [inaudible] . . . requires us to take a look at our maintenance contract and see if we can maintain it at a higher level, we will do that. But we do not have any plans for major upgrades because, as you know, this is one of those roads that's basically been built on the Canadian Shield, which is basically quite difficult. It requires major upgrades, as many of the northern roads do. So no major upgrades planned. Regular maintenance, if there are some issues with the maintenance part of the road, then obviously we'll be paying some attention to it.

**Mr. Belanger:** — Yes, and that's one of the challenges that we find in northern Saskatchewan is because, you know, it covers half the land mass of the province, roads are just of utter importance to a lot of people in many of our northern communities. And Saskatchewan's such a large province and it's so important that we protect the integrity of our province all throughout our borders as much as we can in terms of service and safety when it comes to the highway system because that's where our province is.

So I think northern Saskatchewan in general, they have a lot of the issues that they continually bring forward. And following our tour of the Stanley Mission road, and we're going to be

looking at the Sucker River bridge as well, there's other issues around. Some of the examples I would mention is Pelican Narrows is another area, Sandy Bay. Pelican Narrows I think have an issue with their airport. It's very difficult to get people out of the band because the airport I think is 10 kilometres out of town and needs some upgrades. And I don't think they could use that airport as much as they could use, they could use Sandy Bay's.

For some reason Sandy Bay is I think a better airport. And they tend to transport patients from Pelican Narrows to Sandy Bay for the airport reason, because the one at Pelican Narrows isn't as good as the one in Sandy Bay, from what I can gather. So people in Pelican Narrows are obviously saying, we'd much rather have our sick or very ill people be transported on these northern roads 10 kilometres as opposed to 60 kilometres to Sandy Bay. And so they want, Mr. Vermette wanted for the record to explain to the minister that highways are important as well as airports in northern Saskatchewan. And one of the airport issues that had to be addressed includes Pelican Narrows, and of course the one we've heard in the news the last several weeks was I believe Southend.

And that was an issue that has been really festering in many people's minds in terms of trying to get this whole issue of transporting ill and critically injured people out of these northern communities as quick as you can. And we were quite pleased to see the STARS [Shock Trauma Air Rescue Society] chopper program be undertaken. And the North is much the similar vein of thought, that there should be a quick response and able to get critically ill or sick people out of these northern communities. And Southend is one community that has this difficult challenge of getting a quality airport for transporting people out of the community that are critically ill or injured.

I understand there's a private airstrip there now and there's negotiations . . . or there isn't any discussion going on with them to assume a lease or own that particular airport. Could you give me an update if you can, through your officials, what's being planned or what's the background in terms of the Pelican Narrows airport, the condition that it is now, as well as the Southend discussions around their desire to have a quality airstrip?

**Hon. Ms. Heppner:** — I'll make a few comments on Southend and then I think Nithi can comment on the other ones. The Ministry of Highways owns and operates 17 airports in the North, as I'm sure you are aware. Southend is not one of them. There was a private airstrip, I believe at an outfitter's lodge, that local communities were able to use through a lease agreement. The Ministry of Highways has absolutely no plans to build or buy an airstrip at Southend. We do have the 17 that we will continue to maintain and, as I've said, in this budget we're actually making some major improvements on some of those.

What we have offered through the ministry is more of a coordination effort between local communities and the federal government to see if there is any kind of funding options or things that the federal government could help out with those communities. I know that Health Canada uses it on occasion and there is concern about safety for medical issues, getting in and out of those communities. But the airstrip in question is not jurisdiction of the Ministry of Highways and, like I said, we

have no plans to purchase that or build a new airport. But we're happy to continue to work with the local communities and the federal government in a coordination capacity and, if there are plans to build, to offer any kind of expertise that we can to the folks involved who would be building or maintaining the airstrip that's there. And I think Nithi has a few comments on Pelican Narrows.

**Mr. Govindasamy:** — So I just want to supplement what the minister has said with respect to the expenditures we're making on northern airports. You would be aware that, having been, you know, up there several times myself, I did notice the sort of air traffic and congestion that was taking place at Stony Rapids. I'm pleased to inform you that we're going to be undertaking some major improvements to Stony Rapids airport, the fifth-largest airport in northern Saskatchewan. And that should be a boon to the folks there who, every single time I've visited there, they've always brought it up. And of course we're building the road into the airport. So that's a major investment in excess of \$10.4 million. So I'll note that that is something that we have been working on for a number of years.

I'll also note that, you know, we provide more than \$2 million in terms of operating expenses for the 17 airports up north that we are responsible for. And I'll also note that for this year, '15-16, we are going to be doing some paving work at Buffalo Narrows airport. That's another \$4.2 million project. It was awarded last year. We spent some money last fiscal year, '14-15. We're now April 1st of '15-16. We're going to be doing more work at Buffalo Narrows.

[16:15]

As far as Pelican Narrows airport is concerned, you know, we provided them in this fiscal year of \$61,000 with respect to maintenance for Pelican Narrows. The annual maintenance budgets for these airports are typically in that range. And we also pay for maintenance costs for Sandy Bay airport. Since 2004 we have been doing that, and the maintenance budget there has varied anywhere from 25 to almost \$200,000. I do note that there have been no capital investments made to either airport in the past five years. But the future needs of those airports are kind of undefined at this point, pending a review of some of the airports up north.

So I just wanted to make the point that we have been investing quite heavily, having recognized what you've just said in terms of the importance of airports to northern Saskatchewan. We're heavily investing in those airports that are a source of traffic for an economic boom to northern Saskatchewan.

**Mr. Belanger:** — Okay, just before I again shift gears here as I indicated I would do earlier, is that I want to quickly go back to the contracts that Highways has been dealing with, and this is in particular to engineering contracts. I guess the first question is we've noticed a trend, and Highways is one of the departments that does this on a regular basis. What capacity does Highways have now for in-house engineering services? You know when you look at the in-house design and engineering services, it would be nice for people to know exactly how many FTEs [full-time equivalent] remain in this particular department of the Ministry of Highways. And is there any plans to increase those numbers or decrease the staffing numbers? Can the minister

give us a brief overview of her, or her department's effort to retain or build or cut the in-house design and engineering service that Highways has?

**Hon. Ms. Heppner:** — I do have that information. In 2007 I believe the FTE count for engineers within the Ministry of Highways was 99 and in 2014 it was 137.

**Mr. Belanger:** — Is there any kind of a plan to increase that number or decrease that number or retain that particular number? What's the long-term plan and objective of Highways?

**Hon. Ms. Heppner:** — As I said, the number of engineers in-house has gone up quite a bit over the last few years, and as we lose people to either a retirement or they go on to another job, we'll be looking at replacing those. We will be looking forward into the future about increasing capacity within the ministry. We're building more and more all the time, so having the right complement of engineering staff within the ministry is important. But to the part of your question about reducing our numbers of engineers, that's not part of the plan.

**Mr. Belanger:** — All right. And again this is really an important part of what we think might be a trend. We only want to make sure it isn't the case that we totally diminish our ability as a province and as a government to be able to have those in-house services within the ministry, because I just believe that they give us a good balance between public versus private opportunities in terms of information flow, and certainly keeping it competitive in a sense of having both public and private engineers working on providing a very vital service to building highways in the province.

We would like to know — I'm not sure if you'd have the numbers available — but if you can undertake to give us the numbers of the total dollar value of contracts for the following companies in the last year. First, the company is Genivar Inc. The second one is Aecom. The third one is EBA Engineering Consultants. The fourth one is MDH Engineered Solutions, and the fifth one and the final one is Associated Engineering. We'd just like to know which total dollar of contracts were awarded to those five companies.

**Hon. Ms. Heppner:** — We'd be happy to provide that information, but it can also be found in public accounts. All the contracts issued, by ministry, are listed. So it's in public accounts. So you could probably go check it out there or wait for us to get it for you, but it's probably quicker if you check that out yourself. And I'm told as well some of the company names that you referenced have been taken over by other companies so they're not as — I'm not sure the year — but some of them actually have different names than the ones that you've listed here. But our last year's contract numbers will be in public accounts.

**Mr. Belanger:** — Okay. I just wanted to make sure that the opportunity was understood, you know, by the ministry. These were the companies we were interested in in terms of some of the work that's been done. And we obviously can get that from public accounts, but we just wanted to make sure that we get that information from you as well. It's something that I think will make it better for us to understand, and those that might be listening.

I want to again shift gears here a bit. I want to go into the Regina bypass. The Regina bypass of course is an incredibly complex project, as indicated from time to time. It's one of the largest infrastructure projects in Western Canada in a long time, especially for Saskatchewan. So I guess one of the things that's really important is that we take the time to ensure that the Regina bypass is done with as much consultation and with as much information flow as possible.

As the minister may be aware, I did present a petition in the Assembly that was signed by 700 people that basically requested more information, more transparency, more public accountability on the Regina bypass project. Because this bypass project, as I mentioned at the outset, is a significant investment for Saskatchewan and it's to serve people for many, many years.

I want to say at the outset that many of the people that I met with that are concerned about the Regina bypass project support the notion of a bypass. They absolutely indicated to me that is their number one position, that the Regina bypass is to be supported by as many people as possible. They understand the importance and they certainly appreciate the fact that it needs to be built. So at the outset there is nobody opposing the need for a Regina bypass. The city is growing. We're pleased with that. They got a lot of co-operation and a lot of effort being undertaken to recognize the fact that the bypass is something that everyone wants.

But it's the route that the people are concerned about. As we have been presenting in the Assembly a number of issues, people are still concerned about the process undertaken to make the decision of where the bypass should go.

Now some folks that are listening and watching this particular presentation have spent hours researching this bypass project. And you know these people are committed to what they're doing. They have a lot of information, and I would daresay that they also have a lot of support out there. When you have a petition being signed by 700 people in the affected area that want more answers from the minister and from the government in general, then I applaud that effort, because everybody has the obligation to hold their government to account. And on such a big project like this, people are really beginning to ask questions. Because the biggest concern they have is not the fact that Regina needs a bypass. The biggest concern that they have is the bypass is re-entering the city. And there's been arguments made left, right, and centre on the location. People are still not happy with the location that the ministry has undertaken when it comes to the Regina bypass project.

I took one tour with a couple of folks in that area and I'm planning on taking another road tour of the area that's being called into question, and I understand from this year's budget alone, there's \$211 million being spent that's going towards land purchases and utility relocation for the bypass project. And given the fact that, you know, people know that this is coming to a tendering phase fairly quickly — I think it's in April — I guess the question I would ask is, is it normal to still be purchasing land this late in the process?

Because I understand that Alberta started purchasing land in 1969 for the Anthony Henday interchange in Edmonton. Well

they completed that interchange last year, but they started negotiating this thing in 1969, so the point being that this takes a long time. They really went through a long process, and it just seems that we need more information and people are asking some critical questions at this time. So just on the Regina bypass itself, is it normal to be still purchasing land this late in the process?

**Hon. Ms. Heppner:** — I thank the member for his question. There was a lot of information in the preamble to that specific question which I'd like to address, and then I'll have either Nithi or Ron comment on the actual land acquisition.

The one comment was about taking the time. The first look at this bypass started in 1999. The route selection was in 2004, the initial route selection, and I believe 2012 we went back to verify whether or not the site selection was still current, whether it made sense, talked to rural municipalities, talked to the city based on their growth plans, and then set the route. So to say that time hasn't been taken, there was eight years under the previous administration and seven and a half years under us. That's a lot of time.

There have been over 44 reports and studies done since 1999. I know that there was a written question I believe was answered, sent back to the opposition with a list of them. I won't read them all. It takes too much time. But there was 44 separate studies and reports done on the actual bypass and its location. I believe it's one of the most studied routes of a road in Canada. So I believe we've taken the time. It's been, my math is escaping me today, but it's been 18 years of looking at . . . or 16 years of looking at this route and the bypass.

And I agree. I don't know that I've heard a lot of concerns about the need for a bypass. We have heard some concerns about the location, but like I said, that location has pretty much been in place since the previous administration, when it was looked at in 2004.

[16:30]

On public consultation, the auditor's report that was released last fall actually . . . And I want to thank ministry staff publicly for the work that they did. There's been a lot of work put into this because we understand the magnitude of this project. So to ministry staff, who participated in the public consultations, I do want to say thank you because the auditor found this, and allow me to quote from her report, "We found that Highways' processes to select the preferred routes and types of interchanges were reasonable."

The report goes on to say and I quote, "We found that the ministry actively sought input from the public and stakeholders throughout the process. It has held numerous public open houses . . ." It goes on to say and I quote:

It used its website to keep the public informed of the timing and results of public consultations and of its key decisions (e.g., preferred route and map). Prior to making its final decision on the preferred route, it allowed for and considered public comment.

That's not me singing the praises of my ministry. That's the

auditor for the province of Saskatchewan, which I think we would all agree we hold in very high regard, and the comments made out of that office can be taken as quite valid. So I'm not about to argue with the comments that are in this report, and I think it endorses the work that the ministry and ministry staff has done.

To the point of listening, I know the organizers of the petition and the protest that we've had at the legislature. I've met with them on several occasions. I know that ministry staff has met with them. The previous Highways minister has met with them. And we are listening. They had some concerns with the interchange at, I believe, Tower Road, that one of the lanes, the corner was too sharp and they were worried about, especially in winter with icy roads, about the safety. So we actually redesigned that interchange.

We are listening to people when it comes to this. This is a huge project and we're not taking it lightly. Public consultations, our process has been backed up by the auditor. This has been studied since 1999, and we've actually made design changes based on input of groups and organizations who have come to us with their concerns.

I just wanted to address some of the issues that were raised by the member asking the question, but to the particular question on land purchases, those started a few years ago. I would point out they weren't done when the original route selection was done in 2004, but we started that once we decided that we were going to continue with the bypass. And I will let Nithi comment on the actual land acquisition process.

**Mr. Govindasamy:** — I want to supplement what the minister said with respect to the fact that this is a major undertaking on the part of the provincial government. It is also a project that is hugely complex because of the various elements involved in terms of securing the right-of-way for the highway which involves discussing, negotiating, and finalizing purchase of land. It also involves negotiating and finalizing movement of utilities so that they can begin construction under the appointed schedule.

I have to say that I am extremely confident at this point in time. We have made some fairly dramatic increases in terms of progress. In terms of land purchases, we do have to be extremely aware of and cognizant of the sensitivities related to land purchases and provide landowners the opportunity to consider our appraisals as well as an opportunity for them to look at doing their own appraisals. So it does take time. But we do have considerable progress to report with respect to land purchases, and I'm confident that we will have all the land that is required for the Regina bypass in place before construction begins. Examples that was quoted by the member with respect to other bypasses, I can't comment on them. But we are doing what we have to do to have all of these things in place before construction begins this summer.

**Mr. Belanger:** — You see, and that's one of the fundamental arguments that some of these individuals are making, is that it is a fairly significant project in the sense of where we're going to be 20 or 30 years from now. Their fundamental argument is this: is that a bypass should be a bypass. This route being chosen on the east side of the city doesn't bypass the city. It

re-enters the city, and I think it's on Tower Road.

It doesn't really fit with the government's talking points when they indicate, you know, that they're ready for growth. Does not a bypass that sits directly next to neighbourhoods, does that not inhibit that growth? So that's one of the arguments that many of these people are making, is that a bypass should be a bypass. This does not bypass the city. So what have you got to say to them that indicate that this is not a bypass, which everyone supports by the way, as long as it is a bypass?

**Mr. Gerbrandt:** — I'll make some comments in regards to that, in regards to the bypass location and so forth. With our Regina bypass project, what we will have at the end of the day is we'll have a high-speed, high free-flow facility that takes us from Balgonie around the south part of Regina and along the northwest part of Regina. There are a couple of sections that will be within the urban limits of the city of Regina. Having said that, those connectors to those bypass locations will be high-speed on/off ramps to allow vehicles to access the bypass in a safe and efficient and effective manner.

If you look at other bypass locations, and in Edmonton and Calgary, more specifically Edmonton if you look at the Anthony Henday project, there are sections of that bypass that are within the city limits of Edmonton. And so they do provide not only effective utility to transport goods through our province. They also provide some utility for city residents that want to get to other parts of the city in a fast and effective manner.

So we are aware of the fact that we are trying to maximize the utility of the bypass. We're also aware of the fact that we need to bring truck traffic and other highway traffic through the Regina region in a really quick and effective manner, and so we have constructed or designed a facility to do that.

We have gone through these consultations with the city of Regina. They're very much aware and very supportive of the location of the bypass and how it will not only benefit our province but will also benefit certain areas of people in the city that will want to use that to get from northwest Regina to east Regina or going Highway 1 East or vice versa, going from Highway 1 East to Highway No. 1 West. And so we're very cognizant of that. The fact that we do have a very controlled facility, i.e. people will be accessing the bypass at interchange locations, high-speed interchange locations, it all provides utility for that.

In regards to limiting the actual future development of the city of Regina, we've done extensive consultation with not only the city of Regina but also the communities to the east of Regina and also the RM of Sherwood to really understand where their future land development is. So if you look at the city of Regina, we know with the population growth that they're expecting in the next 30 to 50 years that this particular facility will incorporate that in. So it won't limit the actual ability to develop but will actually enhance the development of some of those potential developments coming forward, because they will have access to the bypass and support those developments into the future.

**Mr. Belanger:** — One of the things that we're going to do as

the opposition or the critic for Highways is that we're going to take a second tour. We're going to spend the time to understand the project from as many perspectives as we can. And the fundamental argument that these individuals are making, the ones that the minister has made reference to in terms of meeting with them and understanding that there's petitioning going, is the fact that the bypass should be a bypass. That's their first position.

The second position that they take is to look at the orderly control of traffic to ensure safety because their first argument is it's an incredible investment. The second argument, it's a great opportunity for the province and for the city, as you indicated. Nobody's arguing those points. And the third point that they raise is that it's important for the economy overall.

So these individuals are very pragmatic in the sense of where they're arguing. Yes, we support the bypass. The Regina bypass has got to happen. We take that position as well. They take the position as well. But they're saying a bypass should be a bypass, and our role and our argument in opposition is to make sure as many questions are answered as possible. That's our role, and that's what we're undertaking to do here today.

Some of the arguments that they bring forward is that, given the location and the issue on the bypass itself, there is no north access coming into the city as you enter the city from the east. That's one of the fundamental flaws that they see in this as well is to gain access to the north. What response would you give them, given the current location that inhibits exits to the north? As you want to bypass the city on this route as well, that location doesn't allow that. So what's your response to that fundamental basic argument?

**Hon. Ms. Heppner:** — We are looking at a future northeast leg of the bypass. It's not part of this current project. In the meantime, Regina has a pretty substantial Ring Road that goes north out of the city which you can connect to other highways off the Ring Road, whether it's Highway 11 or Highway 6. And if you're going up Highway 11, then you'd be able to get back onto the bypass on the northwest side and go down the west side of the city. So there's opportunities. It's not that there are companies or trucks that are landlocked and not able to get out of the city because that northeast section hasn't been done. There are routes in and out of Regina. But we are looking towards the future need for that northeast leg to be built, and that would be coming off I believe the Tower Road interchange.

**Mr. Belanger:** — One of the things that's really important here is that, as I said at the outset, we are taking an extreme interest in this particular argument that's being brought forward because some of the fundamental arguments that they're raising as well is that if you alter the location of the road itself — and a lot of them believe it's not too late to do so — that you may limit the need for some of the interchanges that are being proposed, which are fairly expensive. And in having those discussions with those two individuals that had some very sound arguments, they indicated that you could save as much as \$200 million on this particular project if you relocated further out of the city with no need to have an interchange.

So you look at some of the arguments from the financial perspective, from the growth perspective, and from the basic

premise that a bypass should be a bypass. Were any of those financial considerations understood and presented to the Ministry of Highways?

**Hon. Ms. Heppner:** — As I said, we have met on several occasions with these individuals. I think the last set, a bit of correspondence that they sent to our office, was a list of 60 questions. We've had staff from my ministry try to contact them on several occasions to meet with them to go over their list of 60 questions, and none of our meeting requests have been accepted by those particular individuals. So I understand that they still have questions. We are happy to answer those questions, but a return phone call would probably be helpful in this situation so we could sit down with them, because they're not responding to our request to meet.

To change the route now . . . One of your previous questions was on land acquisition. We've been purchasing land for the current route. I'm not sure that we want to start purchasing land for another route. And as I told those two gentlemen when I met with them, we're not changing the route. This has been studied. It began in 1999. The original route selection was done by your government in 2004. We went back for a verification in 2012 to make sure that it still worked for the city of Regina, for the RM, for the communities that are involved and the answer came back, yes.

[16:45]

I understand these two individuals have concerns, but the route will not change. I've told them that very specifically. I know they'll be happy to take you on a tour and show you their concerns, and that's fine. I do want to thank you and I believe your colleague from, I think it was Elphinstone but I don't want to say for sure, who came to a technical briefing that we offered opposition members to go over this so that everybody would have the information that they needed to understand what we're doing and why we're doing it and the timelines that we're working under. But the route is not going to be moved. Like I said, there's been so many studies, so many reports on this by professionals and engineers, people who build roads for a living, people who design these things for a living, and quite honestly I will take their word that this is the right thing to do.

And as for the saving of interchanges, when we look at the exceptional growth on the east side of Regina, the one thing that I hear from those folks is safety. How do we get on and off of Highway No. 1? We would be building those interchanges regardless of the bypass route because those communities at some point — well, now — need to have those interchanges built just for the safe on and off access off of Highway No. 1.

We know that there's commuter traffic. Any time during the day, you can drive down Victoria Avenue and hit Highway No. 1, and it is full of traffic going to those communities — Emerald Park, White City, and out to Balgonie. So the interchanges would be built anyway. So the cost savings . . . I'm sure that they've sat down and run numbers, but I'm not sure that the cost savings would be there considering the land that we've acquired so far and the interchanges that are going to be built anyway regardless of where the bypass goes south. I know that I think they've suggested going south straight out of Balgonie but the interchanges would be in place anyway. And

so no, I'm not sure that their numbers are correct, and the location is not going to change.

**Mr. Belanger:** — One of the things I think is really important is that, for the record, maybe looking at this in 15 years time, that what if these . . . Well it's actually three gentlemen. What if these three gentlemen that organized petitions of 700-plus names, and people that are . . . And these gentlemen have seen the impact of the location, having many, many questions, possibility of savings. The list goes on as to why their arguments are legitimate and strong, and you can't deny the passion that they have for this particular issue. What if, and never mind 15 years from now, but four or five years from now we find out that they're right?

This is what's really, really important when you talk about the enormous project that we're looking at, that you've got to do this correctly. You've got to do it with a lot of thought. And sometimes the most minute concern to some people may be a major issue for many others. And this is why we must pay attention to those that are voicing their concerns around the bypass and not simply say we're going to plow ahead with it because we feel it's the right thing to do. And what if there is a lot of merit in what they're arguing about, and there is a lot of basis for some of the points that they're raising through you, with me, and with many others?

The whole notion behind this bypass and the argument is, it's a huge project. They're asking for transparency, accountability, for answers for their questions to make sure that this investment is going to be a good investment for years to come. And at the outset, they don't see this at all in terms of a good investment because it doesn't bypass the city. The fundamental argument: it doesn't bypass the city.

Again I want to make sure I premise that fact or that point on their behalf in the sense that we all support the bypass. The NDP [New Democratic Party], as you indicated, started the bypass project in the northwest part of the city and it began that work to encircle the city just to ensure that there is positive growth for the city for years to come. So while the bypass project itself is not new, the Regina south or Regina east bypass — whatever you want to call it — it's fairly new, and that's where most of the significant investment is taking place. And these gentlemen are simply primarily calling for accountability, answers to their questions, and the basic argument that this shouldn't be considered a bypass because it doesn't bypass the city at all, and they need to relook at it and rethink it. And I suspect that some of the issues that they're raising . . . I would point out that I'm just absolutely impressed with the amount of research and work that they've been doing. They have been doing a lot of hard work, and we never discount that kind of effort by citizens. It's really important that we respect all those that participate in this process, and certainly participate even though some of their views may not be shared by many others. And maybe time will tell whether they're correct or not.

So I think it's really important that I point out to them to continue their work. We will make the effort, as the opposition critic, to go with them on the tour for a second time, hear what they have to say and to encourage them and to also advise the minister that in the next go-around of Highways estimates, we want to spend a full hour on some of the questions that they

have in relation to the Regina bypass project. And this first half hour we've done today was really just a preliminary discussion point on this whole issue. So we're hoping to have the committee convene as soon as possible so we're able to again spend some time on the Regina bypass project.

I'm going to end my questions on the bypass there. We've got about another 10 more minutes to go. I want to get a couple of other questions off the way. So I just wanted to share that with the minister, to let you know that we take seriously the concerns that these gentlemen have and will make the effort to understand what they have to say. And I'm going to ask one of them if they would share their cellphone number, which I could forward to one of your officials so that they can call them directly on their cellphone.

**Hon. Ms. Heppner:** — I'm sure we have that.

**Mr. Belanger:** — And if they're not answering your telephone call, we want to make sure that they do.

So again shifting gears again, I want to go around some of the maintenance of highways throughout the province of Saskatchewan. We noticed a decrease of 5 per cent from last year in terms of the maintenance budget. And I would ask, the question is: how much of this remaining budget is, of the highways maintenance portion, actually conducted by ministry employees?

**Hon. Ms. Heppner:** — We'll get that information. I don't believe it's a decrease, but I'll get that verified. But I do want to make some comments to the preamble to this last question, because I have to fundamentally disagree with you. There was an accusation that these are minute concerns, that we're just plowing ahead. I think I answered in my . . . I said in my previous answer, we don't think these are minute concerns. We actually changed the design of an interchange based on the concerns brought forward by these two individuals. I think that's us listening. I think that's us paying attention to citizens of this province and making huge design changes based on conversations with individuals who I might point out — you can correct me if I'm wrong — aren't engineers. They're concerned citizens. And we took that as a valid point and changed a design.

We are not plowing ahead. This has been in the works since 1999, eight years under your government, seven and a half years under our government. How that's plowing ahead, I have no idea. I know government works slow most days, that's the accusation, but 15 years, that's a long time even for government. This is not plowing ahead. You say that they need answers to their questions. I pointed out, we have tried. We tried to contact them. We have tried to answer, sit down and answer their questions. I think it's a list of 60. They don't want to meet with us. I can't help that. I'm not going to send officials out and bang down their door at their house and make them sit down and listen to us. So it seems a little bit like there's an accusation that we're not paying attention, that we're not answering their questions. We have tried.

You made a valid point about, what if they're right? Well first of all I'm not going to answer a hypothetical question. But the studies have been done. The projections of a 50-year use of this



bypass have been done based on vehicle projections, municipal development plans, anticipated population growth. We didn't go into this lightly. We didn't just slap a line on a map and say that's where we're going to put the bypass and hope it's good for five years. There's a 50-year plan behind this. The work has been done. So I'm not going to answer your question about, what if they're right in five years? It's a hypothetical and I don't believe that they are.

So we have taken this very seriously. This is the biggest infrastructure project that this province has ever seen. I'm very proud of the work that's going to be done, the work that has been done to date. And I wish you well on your tour. We're not changing the design plan. We are not plowing ahead. We do not see these as minute concerns. And we are listening to the citizens of this province when they bring forward concerns. And I believe Nithi has an answer to your maintenance question.

**Mr. Govindasamy:** — I have my budget numbers here in front of me and the preservation of transportation system, which is basically the maintenance side of things, there is \$144.9 million budgeted, which is an increase of 0.3 per cent. Perhaps I didn't understand the question. It's an increase.

**Hon. Ms. Heppner:** — There might be some confusion because MREP is listed as an expense as is maintenance listed as an expense, so the \$9 million reduction to the municipal roads program would be listed on the expense side. But that doesn't mean that there's decrease in highways maintenance. I'm not sure if that's the line that you're referring to or if that's the numbers you're looking at. But the actual maintenance budget has not been reduced.

**Mr. Belanger:** — Yes. Well arguing between a point three per cent increase versus a decrease, we'll do that on a different day. But the question that I would like to have answered is: how much of the remaining budget, or the budget, is highways maintenance conducted by ministry employees?

**Mr. Govindasamy:** — The majority of the work is conducted by ministry employees. I don't have an exact breakdown. There is some work that is contracted out. But the majority of the work is done by my employees. I don't have the exact breakdown today but we can certainly try and work that out in terms of that breakdown that you're asking for.

**Mr. Belanger:** — But you would have some indication of the proportion of the remaining budget that are going to be in contracts, that are going to be tendered. You would have that information; is that correct?

**Mr. Govindasamy:** — Well it depends on what kind of contracts that you're referencing. There are some maintenance contracts you know, that up north for example, there's a number of maintenance contracts that we have out there. Is that what you . . .

**Mr. Belanger:** — Yes.

**Mr. Govindasamy:** — We'll make an attempt to try and split that out in terms of contracts for maintenance specifically.

**Mr. Belanger:** — Is there even a ballpark figure as to in what the maintenance part of the budget, what proportion of work has been done by ministry officials versus the private sector on the maintenance side itself over the last five or six years? Has the trend been pretty consistent? Has it been shifting? What would you say the trend in spending patterns are within the ministry as it relates to the maintenance side of the budget, ministry officials, or ministry employees versus the private sector?

**Hon. Ms. Heppner:** — I think that's a similar question to the last one and you were asking a trend over the last five years, the breakdown between ministry staff doing the work and contracting out. It's pretty consistent year over year, the percentages that are done by highways maintenance staff or tendered out to the private sector. The percentages really aren't changing. The approach has been pretty consistent.

**Mr. Belanger:** — And I know we're running short of questions here, but we do have a very quick question that could be answered within the next minute or so. But in the list of contracts, many seem to have been tendered and awarded already in this fiscal year. Again how many are being awarded for this upcoming fiscal year?

**Hon. Ms. Heppner:** — Do you want the number of contracts or the dollar total?

**Mr. Belanger:** — Both if you can.

**Hon. Ms. Heppner:** — If I could just get some clarification because this fiscal year started today. Are you talking about the fall tender plan in 2014 because that's paid for mostly by the '15-16 budget? I just want to make sure that I have . . .

**Mr. Belanger:** — Yes, and the ones that have been completed. Yes.

**Hon. Ms. Heppner:** — From the fall tender plan and the spring tender plan?

**Mr. Belanger:** — Yes.

**Hon. Ms. Heppner:** — Okay. We will get that for you for next committee meeting, if that's all right?

**Mr. Belanger:** — Okay. That sounds good.

**The Chair:** — I'll thank the members for the questions today. I thank the minister and her officials. Madam Minister, any closing comments that you'd like to make?

**Hon. Ms. Heppner:** — Yes. Thank you for the committee's time this afternoon. I want to thank my officials for their assistance and the member for Athabasca for his questions. And there is . . . I forgot to introduce at the beginning of our meeting my chief of staff, Cole Goertz who is with us as well, and I'd hate to forget him because he does most of the work in my office. So thank you to him. And I look forward to appearing before committee in a couple of weeks.

**The Chair:** — All right. Thank you. It's 5 p.m. and this committee now stands adjourned to the call of the Chair.

[The committee adjourned at 17:00.]