



STANDING COMMITTEE ON THE ECONOMY

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STANDING COMMITTEE ON THE ECONOMY

Ms. Colleen Young, Chair
Lloydminster

Ms. Vicki Mowat, Deputy Chair
Saskatoon Fairview

Mr. David Buckingham
Saskatoon Westview

Mr. Terry Dennis
Canora-Pelly

Mr. Delbert Kirsch
Batoche

Mr. Warren Michelson
Moose Jaw North

Mr. Doug Steele
Cypress Hills

[The committee met at 14:59.]

The Chair: — Welcome this afternoon, everyone, to the Standing Committee on the Economy. Joining us for the committee today is myself, Colleen Young, as Chair. Sitting in for Vicki Mowat is Warren McCall. We have David Buckingham, Terry Dennis, Delbert Kirsch, Warren Michelson, and Doug Steele.

This afternoon the committee will be considering the estimates for SaskBuilds Corporation and considering the committee resolutions for the 2018-19 estimates and 2017-18 supplementary estimates — no. 2.

**General Revenue Fund
SaskBuilds Corporation
Vote 86**

Subvote (SB01)

The Chair: — We will now begin our consideration of vote 86, SaskBuilds Corporation, subvote (SB01).

We have Minister Marit here with his officials this afternoon. Minister Marit, if you would like to introduce your officials and begin with any opening remarks.

Hon. Mr. Marit: — Thank you very much, Madam Chair. Before I begin, I do want to introduce the SaskBuilds officials that are here with me today. Now, Madam Chair, my speaking notes say one way they're seated, but they've moved around on me, so I should get it right.

But on my immediate right here is Ron Dedman, the acting president and chief executive officer of SaskBuilds; and on my immediate left is Teresa Florizone, our vice-president of corporate services and chief financial officer. Also with me is, seated to my left, is assistant vice-president of Priority Saskatchewan, Greg Lusk. The director of corporate services, Alicyn Miller, is behind us, along with the director of strategy and engagement, Lisa Danyluk. And last but not least, obviously, Madam Chair, is my chief of staff, David Cooper.

I want to thank these folks for being here today, Madam Chair, and all the work that they have done on a daily basis for the people of Saskatchewan. I would also like to acknowledge our new critic for SaskBuilds, Warren McCall, and I know you will bring some high standards to bear with us that you have in your previous critic roles. And I'm looking forward to a good discussion this afternoon.

This is my first estimates appearance for SaskBuilds as well. I became Minister Responsible for SaskBuilds last summer and, as I've gotten to know the organization, I've come to realize that SaskBuilds is a small organization that does very important work.

Before I highlight some of these things that year's budget enables SaskBuilds to do, I think it's really important to acknowledge the bigger context government is working within. As the Finance minister said on budget day, this year's budget keeps Saskatchewan on track. This budget will help keep our

economy strong, recognizing that Saskatchewan is expected to post positive economic growth for the first time in two years in both 2017 and in 2018.

Through this budget, our government is meeting the province's fiscal challenge and staying on track by controlling spending and shifting away from relying too heavily on volatile resource revenue. Most importantly, this budget keeps our fiscal plan on track to get back to balance in fiscal year 2019-2020, while maintaining investments in the services, programs, and infrastructure the Saskatchewan people value. And it's within that context that we are here today to discuss the budget allocation for SaskBuilds, and the important work that this budget will enable the organization to continue.

SaskBuilds' mandate has evolved since its creation in 2012, and now addresses several areas of priority for government: modernizing procurement across government, monitoring P3 [public-private partnership] compliance, leading integrated capital planning, and coordinating the federal Integrated Bilateral Agreement.

Priority Saskatchewan was created in 2014 to modernize government procurement. That work has included best value procurement legislation; greater spending control and consistency; trade agreement compliance and consideration for Saskatchewan companies; private sector procurement; stakeholder relations; listening to and responding to the private sector complaints; streamline procurement tools for more than 100 templates across government down to eight; training approximately 1,600 people so far, including public servants engaged in procurement on behalf of ministries, agencies, and Crowns, as well as private-sector representatives; oversight to ensure best practices are followed and legislation and trade agreements are applied appropriately and consistently.

There is still a lot of work to do but Priority Sask is driving real change and ensuring best value. It is now easier for government to procure staff, to procure goods and services while achieving best value. It is also now easier for Saskatchewan suppliers to navigate and succeed through Saskatchewan's public procurement system, and that matters because we know that developing Saskatchewan-based suppliers helps keep economic activity, jobs, and tax revenue here in the province of Saskatchewan.

SaskBuilds' original mandate led to four P3 projects. The Meadows long-term care centre in Swift Current was the first provincial P3 project to complete construction. Replacing three aging facilities, The Meadows is a 225-bed home that features a home-like design to create a real community feel and encourage interaction. It has 21 10-bed homes as well as a 15-bed hospice palliative care home. Doing this project as a P3 achieved 16 million in savings compared to a traditional procurement.

The 18 joint-use schools in Regina, Saskatoon, Warman, and Martensville opened to students in September 2017. This was the largest schools build in Saskatchewan's history, and this project delivered 18 schools between 6 to 9 years faster than traditional builds would have. These schools are providing modern and flexible learning spaces that can accommodate up to 11,000 students, and each joint-use site also houses a

90-space child care centre, for a total of 810 child care spaces. The schools project achieved 100 million in savings compared to a traditional project.

The Saskatchewan Hospital North Battleford or SHNB is an innovative, state-of-the-art mental health centre of excellence with integrated security in it to replace the century-old existing hospital and provide a warmer and more welcoming environment to support patients and their families, and is saving taxpayers \$90 million compared to a traditional build.

SHNB has been in the news a bit lately as the private sector consortium for the project, Access Prairies Partnership has notified us of a delay in the service commencement. Our goal is always to have projects completed on time, but because this project is a P3 project and not a traditional build, government and taxpayers are actually protected from bearing the risk and the cost of such a delay.

To put it plainly, P3s work and SHNB proves it. Risks exist in every project and every risk comes with a cost. In traditional projects, taxpayers bear the risk and pay those costs. P3s protect taxpayers by transferring risk and costs to the private sector partners. SHNB proves this works. While service commencement is expected to be delayed two to three months, all costs related to the delay belong to the private sector project partner, Access Prairies Partnership, or APP, not government.

In fact government and the taxpayers could save up to 1.2 million a month plus liquidated damages, thanks to the unique protections of a P3. This includes payment of up to \$5,000 a day by APP to government for delay-related expenses and government permanently withholding monthly capital and facility maintenance payments for each month of the delay, money APP will never be able to recover from government.

Last but not least, we come to the Regina bypass. This is the largest transportation infrastructure project in our province's history. Phase 1 of the project achieved substantial completion in October 2017 and, more recently, the Pilot Butte overpass opened 20 months ahead of schedule, featuring Saskatchewan's first diverging diamond interchange, an increasingly popular feature because of its increased safety by reducing the number of potential collision points. The remainder of the project is on track for substantial completion in October 2019 and is achieving 380 million in savings for taxpayers compared to a traditional procurement.

Taken together, these four projects are achieving more than 580 million in savings for taxpayers while delivering vitally important infrastructure for Saskatchewan people and communities.

I would also like to note that while two of the four projects are now in the operations phase, SaskBuilds is required to remain involved for two years after project completion to provide contract management, compliance monitoring, dispute resolution, ensure deficiencies are identified and fully fixed, and that the new relationship between the consortium partners and the long-term users is working.

The Provincial Auditor has noted that contract management is important. Managing the 30-year contract is critical to

achieving value for money and ensuring that the risk is transferred accordingly to the signed project agreement.

The Provincial Auditor has recommended SaskBuilds analyze benefits and barriers of P3 projects and share best practices and lessons learned to assist the government in overcoming problems sometimes cited with the use of conventional procurement approach.

We are working with ministry partners to do that. The list of lessons learned is long and, while I won't delve into them all, I would like to highlight one example that involves not only SaskBuilds but also the Ministry of Highways and Infrastructure, and so is top of my mind for me in both my roles.

SaskBuilds worked with Highways to apply design-build procurement model to the Warman-Martensville overpasses, using commercially confidential meetings to negotiate the fixed-price contract. Under the design-build partnership, the project consortium is responsible for both design and construction of the overpasses.

The benefits of the design-build model include allowing innovative construction, staging, and greater schedule and cost certainty. SaskBuilds will work with Highways to expand the design-build model for future projects.

SaskBuilds' integrated capital planning, or ICP, focuses on robust design and due diligence to eliminate risk and support good decision making. This includes good business cases, life-cycle costing, risk analysis, providing advice and recommendations. ICP analyzes business cases for risk, cost, and schedules, and provides feedback to ministries on each project, supports performance monitoring of ongoing projects, and also supports the sharing of best practices, lessons learned, and research with ministries to improve asset management.

ICP allows ministries to work through a standard approach, consistent results of an understandable process, creating long-term accountability. Ministries have said that this rigorous process has helped them find solutions that meet very specific needs and solve tangible problems.

Saskatchewan is negotiating an integrated bilateral agreement with the Government of Canada for federal infrastructure funding of 896 million over the next decade. SaskBuilds has been leading those negotiations on behalf of the province. SaskBuilds has been negotiating with the federal government for several months. Federal funding priorities do not necessarily match Saskatchewan's infrastructure priorities; for example, there is limited opportunity for health, education, and highways infrastructure projects, traditionally our highest priorities for infrastructure investment.

Our discussions with the federal government have focused on securing flexibility within the agreement to ensure that funding can be used to address Saskatchewan's infrastructure needs. One of the examples I've given recently in the Assembly is the issue of northern airports. The way the federal government has designed their funding, we would not be able to use it to support northern airports. That doesn't make sense for us because when they announced the program in the first place, Ottawa

emphasized their desire to support rural and northern infrastructure.

So while we appreciate the federal government's interest in supporting infrastructure in our province, we will continue to pursue the flexibility that we need to ensure that funding can support the kinds of projects that are most needed by communities in all corners of this province, not just our biggest urban centres.

Once an agreement is reached, SaskBuilds will also have an ongoing coordination role that will include developing and submitting a three-year strategy on behalf of executive government, treasury board, and CIC [Crown Investments Corporation of Saskatchewan] Crowns, coordinating the unprecedented centralized reporting required by the federal government and ensuring oversight and due diligence to prevent cost overruns, which the government will not fund.

I know we have an opportunity to discuss SaskBuilds estimates in greater detail shortly, so in conclusion I will say that this year's allocation of 4.8 million will support SaskBuilds' work as a small central agency demonstrating real results for government. Thank you, Madam Chair, and I would now be happy to take any questions.

The Chair: — Thank you, Minister, for those opening remarks, and I'll now open the floor to questions from the committee. And I recognize Mr. McCall.

Mr. McCall: — Thank you very much, Madam Chair. Mr. Minister, officials, welcome to consideration of estimates for SaskBuilds. And just off the top, thank you for the kind remarks regarding myself. I'm imagining that perhaps you had confused me with the member from Moose Jaw North or some other so-named person, but we'll see what we can . . . We'll see how this plays out, Mr. Minister.

A Member: — You're not that good looking.

Mr. McCall: — Well. Well, well. Anyway, welcome to the consideration of these estimates. And I guess a good place to start would be with first principles in terms of SaskBuilds. As the minister rightly pointed out, I'm new to the file so there's, I'm sure, some questions that would appear sort of simple or straightforward. Anyway, if you took away simple and straightforward from me, Minister, you wouldn't have much left. But in terms of asking questions that might seem obvious otherwise, you know, keep in mind you've got a rookie critic in this regard on deck. Fortunately you've got some great folks you're working with, so we'll see how this shakes out.

Anyway, in terms of first principles for SaskBuilds . . . I also have the privilege of serving as the critic for Central Services, have for some years. In fact I've served as the critic for Central Services so long the gentleman seated to your right, I was there to wish him a happy retirement from the post of deputy minister at that ministry. So it would occur to me in terms of, what is the difference between an entity like SaskBuilds and the later accretion of Priority Saskatchewan, how does that differ from another central agency of government, the aforementioned Central Services? What's the value added in terms of another organization serving many of the same files and missions?

[15:15]

Mr. Dedman: — So if we start with Central Services, as you're aware, a broad range of services offered across government, things like air ambulance; pilot training; maintenance of aircraft; the CVA [central vehicle agency] vehicle fleet; mail services across the province; 200,000 boxes of record storage at the Gemini Warehouse; the leasing of space and the management of owned space, so finding locations for employees, doing the planning for office set-up, that kind of work.

Then the whole IT [information technology] operation of government is in Central Services. There's the procurement area in Central Services. There's a long-term planning group that deals with when leases come up and when extra space has to be added or space has to be reduced.

So those are the kinds of activities that Central Services does on an ongoing basis. And you can go down in details, like this building, all of the things that are done to make sure that it functions and operates. I always said that the average temperature of this building, which was important, but that often meant cold in winter and warm in summer. But those are all the responsibilities of Central Services.

When it comes to SaskBuilds, there's two parts of SaskBuilds. When SaskBuilds was originally formed, it was to look at alternate ways of project delivery, focusing on how do government projects get built on time and on budget. And from that work came the P3 projects, which I wasn't involved in, but I get to see the results of a whole different mechanism of delivering projects.

If I could give the example, there's many aspects of a P3 project, but one important one is guaranteed maintenance. And there's always a challenge for governments in making sure that things are maintained to a standard over time. And with the P3 projects, you have a commitment to maintenance for the whole life of that project, and if it isn't maintained and kept to that standard, then you don't pay. You don't continue to pay.

So the development of how do you deliver on time and on budget was a big part of SaskBuilds, and doing the contracts and overseeing the projects is something that continues. Now even though The Meadows project in Swift Current is done, it's still being managed in terms of the transition to a takeover by the Health Authority for the long-term life.

The other aspects of SaskBuilds are integrated capital planning, as the minister mentioned, where you aggregate the capital plans developed by ministries into one package so that decision makers can compare across government when they're looking at what projects might go ahead, as opposed to them coming forward as sort of one-off projects.

And a third area that SaskBuilds is working on is trying to find a common approach across government for asset management, so just looking at how you measure the state of assets across government.

On the Priority Saskatchewan side, Priority Saskatchewan was formed in 2014. The concept was that as potash expansion

slowed down, companies would look to government procurement for a way to maintain their business after the end of potash expansion. And so at that time there was a lot of consultation with businesses across the province as to how they saw ministry and Crown procurement, what was working well, what needed change. And so there were literally hundreds of consultations with individual businesses and business groups, and out of that came a plan for Priority Saskatchewan. And the idea of Priority Saskatchewan is, can you improve the access for Saskatchewan companies to ministry and Crown procurement? And there's lots of different aspects of doing that.

So in terms of the differences, Central Services provides a lot of aspects of day-to-day government. SaskBuilds looks to the future. And again Priority Saskatchewan has a lot of work with the private sector and with ministries and Crowns working on the procurement models that are out there. Unlike Central Services, Priority Saskatchewan works with both ministries and Crowns on the procurement side. The other big difference is Central Services has about 700 people; SaskBuilds has about 20.

Mr. McCall: — Thank you for that, Mr. Dedman, and certainly thank you for ably describing the functions of the two entities.

I'm still taken with the notion though that in terms of all of the common ground that exists between the two entities, I'm interested to know if there's any ever consideration given to some kind of a merger or amalgamation of the two entities. Now one of the other differences of course that you did not point out is that one is a line ministry of government, of course, and under the aegis of executive government, and the other is a treasury board Crown and subject to the variations in governance and all of that.

But still and all, am I just sort of mistaken? Is there not a tremendous amount of common ground in terms of . . . on things like procurement, on things like property management, on things like project management, in terms of integrated capital planning, that there should be some synergies to be had between the two entities?

Mr. Dedman: — I think the Central Services tends to focus on providing what it provides to government. So its planning and project work is all around its assets and what they provide. I think SaskBuilds looks at, whether it's asset management, integrated capital planning, they look across government and at a much broader range of projects that wouldn't normally flow through Central Services. And on the Priority Saskatchewan side, that role has been sort of a broker role in the sense that we can talk to both the private sector, to ministries, and Crowns. We're not managing the procurement. We're trying to find solutions where there are challenges and problems.

Mr. McCall: — So in terms of being a classic central agency versus a line ministry, that's the . . . You don't want to mix up the mandates and you leave the one doing . . . leave them separate. There hasn't been consideration given to merging the two entities? Is that what the . . . Mr. Dedman, are you telling me?

Mr. Dedman: — Well I think because SaskBuilds is pretty new — it really started in 2012 and Priority Saskatchewan came in

2014 — I think it was seen as additional roles that weren't really . . . didn't really exist in government before the establishment of SaskBuilds.

Mr. McCall: — I guess, you know, in terms of the exciting topics of machinery of government, I'll continue to look and see if there isn't some further, sort of, promise or hope on this front. But it does seem to me . . . And it's not just because the former deputy minister of Central Services is, you know, here before us as the acting head of SaskBuilds, you know. I do think there are a number of things that lend themselves to complementary services, but we'll I guess put a pin in that conversation and have it another day.

But in terms of the FTE [full-time equivalent] complement for SaskBuilds, Priority Saskatchewan, could the minister just state for the record what the FTE complement is? If anyone's part of a collective agreement, in scope/out of scope, and the division between Priority Saskatchewan and SaskBuilds. And again that shouldn't take too long.

Hon. Mr. Marit: — So right now we have 23 FTEs and they're all out of scope. That's what we have right now.

Mr. McCall: — Thanks very much. The division between Priority Saskatchewan and SaskBuilds?

Hon. Mr. Marit: — Out of that 23, four are with Priority Sask.

Mr. McCall: — Thank you for that. In terms of the modest decrease in budget from 2017-18 to this fiscal, on the order of around \$200,000, can the minister describe what that reduction represents?

Hon. Mr. Marit: — Yes. That decrease is just from projects moving from construction into operation. So that's where there's a 200,000 reduction there.

Mr. McCall: — So in terms of the year previous, where the call went out for a 3.5 per cent reduction to senior leadership in various government ministries and agencies, was there any action taken in that regard? And then in terms of the reduction of \$70 million that is called for over the next two years, 35 million for this year, how does that show up in the figures contemplated here?

[15:30]

Hon. Mr. Marit: — So in 2016 we did an operations-based reduction, and consulting fees. That was the major part of the reduction there of about 200,000 on that. So that's where we got our reduction on our budget there. That was in 2016, and then this year, fiscal year is mostly on projects that were completed. As I said earlier, now they move into the maintenance side. So there was a reduction in '16 and there was a reduction in '17 as well.

Mr. McCall: — Thank you for that, Minister and officials. I guess moving on into the . . . more broadly through the different responsibilities of SaskBuilds, in terms of the . . . Just having gone through *Hansard* from years previous, there was some discussion between the member from . . . my predecessors — critic, the member from Riversdale; and the member from

Saskatoon Northwest, minister, now Deputy Premier — on the breakdown on the four projects that the minister has discussed at the start, the breakdown of benefit or work or value of work conducted by Saskatchewan entities or Saskatchewan-based entities, and what went to out-of-province entities or companies.

There was a list provided by the then minister of the out-of-province companies and the in-province companies for the work that had gone on with the bypass, and then there was an undertaking made by the then minister to provide a similar listing for the Saskatchewan Hospital. Is it possible to provide such a list to the committee or to fill that undertaking, or to provide us with something that we can go away and do some focused reading on? Could the minister . . . What's the minister's response?

Hon. Mr. Marit: — We have the list. I can read it to you if that's what you so wish on the North Battleford hospital. The local Saskatchewan was 30, total businesses was 50. I've got them pretty well all listed here, if you want: Allan Construction out of Saskatoon . . .

Mr. McCall: — Pardon my rudeness, but if the minister could provide the list to the committee that would be sufficient, and if we have questions arising we'll get into those. But I thank the minister for being forthcoming with the information.

Hon. Mr. Marit: — We'll provide that list.

Mr. McCall: — Thanks very much. Is it possible to provide similar analysis of the other . . . So the highways, the bypass has been provided, but the other two projects that the minister had identified at the outset?

Hon. Mr. Marit: — Yes, we can provide those. We have those.

Mr. McCall: — Thanks very much. This is . . .

The Chair: — Minister, just to let you know that on May 26th of 2017, there was a request for the similar document and item 7-28 was tabled September 6th, 2017 with that list. Now whether it's the same or not, I can't confirm that, but there was an earlier list tabled.

Mr. McCall: — As ever, Madam Chair, I'm thankful for the clarification, and we'll certainly look to compare the lists. But certainly if the minister could provide that, we'd be much obliged.

In terms of the integrated capital planning referenced by the minister, by officials, could the minister or officials describe how that is conducted, how priorities are determined, what the, sort of, book value is of projects in this year, in out years? Because obviously it's a significant amount of economic activity. It's a significant amount of capital infrastructure need to be addressed. But if the minister could, for my edification, tell us a bit about that.

Mr. Dedman: — So on the integrated capital plan it's, as I mentioned earlier, a way to bring a lot of different projects from different ministries together. And so what we ask for is a submission of the project with a business plan to a format that

we provide. When it comes to the dollars, it's probably pre-dollar amount in many ways because there has been no design on these projects.

So there may be some estimates of dollars, but they're very, very preliminary. And it's more about projects and bringing them together so that you can decide at the cabinet level what the priorities are. We just make sure that we have the projects with the business plans, and I guess you could look at it as kind of a matrix of projects coming forward.

Mr. McCall: — Thank you for that. In terms of . . . Is it analogous to the treasury board process or does it run sort of on a similar timeline? You'll have calls for proposal going out, I imagine, in the not-too-distant future. Mr. Dedman, if you could describe that.

Mr. Dedman: — Sure. It's a parallel process but it does come together, because nothing will be decided until it goes through the treasury board process. But it captures projects at an earlier stage and it's not . . . It's, I guess, earlier than the treasury board process, which is much more budget-oriented. So it provides information earlier and helps with the planning going forward.

Mr. McCall: — So again, just to get that better understanding, in terms of the matrix by which the team at SaskBuilds determines priority — not Priority Saskatchewan, of course, but priority amongst the list — if you could just give us a bit of a description in terms of what the matrix is for that decision-making process.

Mr. Dedman: — Sure. It's not our role or our goal to necessarily set priorities for the projects and say this project is better than this project. It's how we bring them all together so that the project list is available to look at as one package as opposed to the normal process where you're bringing projects forward one at a time for consideration.

Mr. McCall: — So SaskBuilds sets the table. There's a submission then made, I'm presuming to treasury board or to cabinet, and then there's a culling or a further determination made therein. Would that be accurate?

Mr. Dedman: — Yes.

Hon. Mr. Marit: — If I could, Madam Chair, just to add to your question. When we look at the projects, when you look at rankings and what we look at, there's about seven key factors that we look at. Of course obviously economic impact is one; utilization is another. The condition of the existing asset is what we're also looking at. Health and safety is obviously a very key priority. Social impact is looked at. Functionality and efficiency is also looked at, and the environmental impact. So those are kind of the seven key points that we look at when we look at prioritizing projects.

Mr. McCall: — In terms of the forecast, is there a year to come, five years out, decade out? Is there any sort of forecasting that goes on like that in terms of the integrated capital planning for SaskBuilds?

Mr. Dedman: — So in the planning process projects will come on and go off because they will go off as they move forward to

the planning stage, to construction stage. So it's kind of an ongoing kind of a process that's renewed on an annual basis. So some projects might stay on for a long time. Other projects might come on and go off reasonably quickly.

Mr. McCall: — In terms of the interaction with, for example, the K to 12 [kindergarten to grade 12] capital list out of the Education ministry or what I'm sure is a significant health capital needs assessment and interim planning, how does SaskBuilds interact with those entities to do that work?

Mr. Dedman: — It's a collaborative process. And again, as I mentioned, we're looking for a business plan, what they want to do. As the minister mentioned, there's a scoring process, so that we put those forward with scoring, and then it's up to the cabinet, treasury board to make the decisions on what may go ahead.

Mr. McCall: — So in the case of the K to 12 [kindergarten to grade 12] capital list, for example, which used to be kind of like holy writ, certainly we've had lots of discussions about how well that was funded, or not, over the history. But certainly in terms of the sector having a lot of ownership on that planning, on assessing those priorities, it was . . . And I reflect on this as a former minister of Advanced Education where our capital planning was not anywhere near as well defined or as jealously safeguarded by the sector.

But in terms of how SaskBuilds interacts with the K to 12 sector, what place is there for individual school boards now to make their case? And how does that interact? And how do you . . . Again, some of the questions that come up with central agencies is that responsiveness to local need, to regional need, which have been in part recognized by Priority Saskatchewan in one sense. But how do you balance off that central planning function but staying responsive and attuned to local need when it comes to something like the K to 12 sector?

[15:45]

Mr. Dedman: — In terms of the process to do with K to 12 schools, the Ministry of Education would collect the information from the school boards, would aggregate that, and would work on what they understand as priorities. And they would bring that as part of, again, a business plan forward to SaskBuilds. So we wouldn't directly deal with the school boards. That relationship is between the Ministry of Education and the school boards.

Mr. McCall: — In terms of processing the business cases, how many have you got under consideration right now? And in terms of responsiveness and good, immediate time in terms of dealing with the cases, as a newer organization, where's that at for SaskBuilds? Are you satisfying the customer?

Ms. Florizone: — Teresa Florizone. Thanks, Madam Chair. For 2017-18 we actually did 30 business cases. In total we actually got 117 submissions, so 30 detailed business cases. This year so far we're also doing as part of . . . The federal infrastructure funding that is also coming in has actually substantially increased. So far just on that component alone, we've gotten up to 40 business cases, and we're expecting a similar amount by the end of May on just the regular integrated

capital planning process.

Mr. McCall: — Is there any, sort of, averages that emerge in terms of time to process person hours involved in the processing? Is there any, sort of, characteristics like that that are emerging from the experience?

Ms. Florizone: — Thank you. The way that we deal with the projects that come in, we have a small team of two to three people that look at all of the projects, and with that we actually work across ministries and have a review committee process. And with that we actually are ensuring that all of the work of the due diligence of business planning is done upfront. We try to ensure that we have a needs assessments and options analysis. We get into what are the procurement options that are out there, so that way we have all the best information before we go out to procure. So that way we are trying to get to on-time, on-budget delivery of all of our projects, even on the traditional side.

Mr. McCall: — Thank you for that. Being ever-mindful of the time and its fleeting quality in committee, in terms of Priority Saskatchewan, in terms of coming on stream two years after the creation of SaskBuilds, is there any sort of reflections or retrospective on what difference has Priority Saskatchewan made? In terms of better access for Saskatchewan companies, is there any sort of dollar figure wrap-up of that work?

I know that there's the action list, and some of the outstanding items there I'll have some follow-up questions on. But any sort of general observations on if Priority Saskatchewan has made a difference, and what are the characteristics of that difference?

Hon. Mr. Marit: — Thanks for the question. I'm going to just make a brief statement on it, and then I know Ron's going to give a very good example of it, just from the Highways Ministry alone, where we've really gone into this best value process and recognizing that part of it. And a lot of that component is looking at past experience, local knowledge. And that really escalates the Saskatchewan company side of it to some degree.

It doesn't eliminate outside companies that have done work in the province before. It still gives them those abilities. But it definitely does recognize, as I said earlier, the local knowledge and the business side of it from the Saskatchewan companies. But Ron's got a very good example to give you on just how Priority did work for a project we're doing now.

Mr. Dedman: — SaskPower is building the Chinook power plant west of Swift Current, and they are having that done by a company called Burns & McDonnell, which is an EPC [engineering, procurement and construction], engineer, procure, and construct. And under the plan they have, it's a fixed-price contract for that project.

We know that Burns & McDonnell also worked on Queen Elizabeth power station project, and there was not significant Saskatchewan content in that project, I think primarily because they weren't asked. But when this project was awarded to Burns & McDonnell with SaskPower, we had access to the company and we had a concerted effort to make them aware of the capability of Saskatchewan industry.

So working with Saskatchewan Industrial and Mining Suppliers Association we had a couple of major meetings, one in Saskatoon and one in Regina, where we brought together Saskatchewan suppliers and contractors to meet Burns & McDonnell. They presented on the project. They met people. They talked to people so they made connections. We also had a couple of meetings with SaskPower at Swift Current so the local suppliers there could be involved. We also toured key Burns & McDonnell people around the province so they could actually visit Saskatchewan manufacturers and see what they could do.

So the project is kind of a year away from completion, but we're right now at around \$100 million of Saskatchewan content. And so comparing that to the past project, that's our poster child for success of Priority Saskatchewan, I guess.

Mr. McCall: — Thank you for that. In terms of that 100 million, that'd be out of a projected value of the project overall. How much?

Mr. Dedman: — I can't remember the exact number, but it's a few hundred million. But it's not finished yet. It's still a year away from completion.

Mr. McCall: — In terms of the work that was done at the Queen Elizabeth, what was the breakdown there?

Mr. Dedman: — That was pre Priority Saskatchewan. So what we have is anecdotally from Saskatchewan suppliers that felt they really didn't have access to that project from the work Burns & McDonnell did. So we're not sure there was any Saskatchewan content on that one.

Mr. McCall: — So Saskatchewan content, how is that assessed? Is it good enough to have someone come on as a subcontractor and then feasibly use Saskatchewan workers to do the job? Or you know, is it good enough to be a subcontractor, and then possibly you're bringing in people from out of province, or how does that work? How is that assessed?

Mr. Dedman: — There's a lot of variety on this project. So all the concrete work was done by a Saskatoon company. The large stack was built in the southeast part of the province, and also there were a number of major structural pieces that were built in the southeast and transported over. So there's machine shop work. There's construction work. They have a First Nations company that's providing on-site security, first aid, that kind of thing. So there's a wide range of projects.

It's a very complex project of course so, you know, you have a crane supplier or an equipment supplier. One of their big achievements they felt was that working with the local ready-mix company in Swift Current, they were able to find ways to help that supplier double their production so that they could actually do the kind of concrete pour they needed to do on that site. And so all of the concrete came from the local company in Swift Current, but more importantly, they helped that company increase its capacity and also helped it identify the right kind of aggregate for the project they were working on.

Mr. McCall: — This would be as good a place as any to ask

the minister or officials, in terms of Priority Saskatchewan's action list or the action plan status, one of the aspects right at the end where work is outstanding is around corporate citizenship: "Everyone benefits from contracts being awarded to vendors who are good corporate citizens. This may include engagement with the Aboriginal community." What is the dollar value in terms of procurement that has been engaged with the First Nations or Métis community? How is that being actualized on the part of SaskBuilds or Priority Saskatchewan or both?

Mr. Dedman: — On that community benefits part, that was in early days. That was the question of how do you score someone for their contribution to the community. As we worked on that with our stakeholder groups — Construction Association, Industrial and Mining Suppliers Association — they said, can we put that one on the shelf for a bit because we really don't know how we should score that, or how, more importantly, we would want to be scored on that. And that is, is it contribution to your local community? Is it what you contribute on a national basis, what you do? You know, there's many aspects of that. So that one is one that we still haven't come to grips with.

On the First Nations, indigenous side the SaskBuilds board added to the mandate of Priority Saskatchewan a role of working with First Nations development companies. And so our role in that is to work with those companies in the same way that we work with other Saskatchewan companies: listening to their concerns, helping them gain access to ministry and Crown work. Identifying specific wins, or total wins, or whatever, that's pretty hard for us to do. But we do have examples of where we've introduced people or First Nations development companies to, in a way, to access work and also, I guess, more importantly to build relationships with other companies in competing for work.

In government, SaskPower has probably the most well-recognized First Nations procurement policy, where they score for both 51 per cent ownership and actual First Nations or indigenous employment. And so again, we've been involved in working with SaskPower and some of their many indigenous suppliers.

Mr. McCall: — Are there any hard targets emerging in terms of dollar value, person years, tangible goals? And don't get me wrong; the relationship is a good thing in and of itself, and that needs constant attention and needs an earnest effort. But in terms of results and benchmarks and goals to measure yourself against, is there anything coming out that is tangible in that regard?

[16:00]

Mr. Dedman: — It can be difficult for us to, with the small group that we have, to try and gather all those statistics, so we kind of leave those for ministries and Crowns to deal with. Our goal is often to listen to when people feel they haven't been given fair access and to try and be the broker of either helping them to be better able to compete or trying to bring awareness to the ministry and Crown as to why they need to try harder to understand the capabilities that a particular company — whether it's First Nations or another Saskatchewan company — to understand what they have to offer.

Mr. McCall: — Just one last question. And certainly I'd have other questions but, you know, only so much time. But that's the kind of work that used to be done by the Crown Investments Corporation. Would that not be a fair thing to say for the Crown sector? In terms of the matchmaking, lining up potential vendors and suppliers in indigenous country with individual Crowns, and then each Crown would evolve their own sort of policy, is that an accurate assessment? And I guess I'm presuming that SaskBuilds does that now, leaving the question mark of what does CIC do in turn?

Mr. Dedman: — CIC does have interest in this area and pays attention to the broad work of the Crowns in this particular area. Our focus has been more on First Nations development companies which compete for business as a business and have often separate governance from a First Nations band. So there are other parts of government that are paying attention to First Nations economic development. Our target or our focus, even though we get involved with a much broader group than that, has been First Nations development companies.

Mr. McCall: — Well I'd like to say thanks to the minister and to officials for this time to consider these estimates for SaskBuilds, Priority Saskatchewan. We've reached the hour of conclusion and then some. So again thanks, Madam Chair, committee members, and Minister and officials.

The Chair: — Thank you, Mr. McCall. Seeing no further questions, we will vote off 86, SaskBuilds Corporation. SaskBuilds Corporation, subvote (SB01) in the amount of 4,880,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

SaskBuilds Corporation, vote 86, 4,880,000. I will now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2019, the following sums for SaskBuilds Corporation in the amount of 4,880,000.

Mr. Dennis so moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Minister Marit, if you have any closing remarks.

Hon. Mr. Marit: — Thank you, Madam Chair. I just want to take this opportunity to thank my officials from SaskBuilds and Priority Saskatchewan for the work that they do. As you heard, it's a very skeleton crew that does an awful lot of good work on behalf of the taxpayers of the province of Saskatchewan. So I wanted to go on record to personally thank them for the work that they do and their dedication to this province.

Also I want to take this opportunity to thank Mr. McCall for his line of questions and the respect that he has for the ministries and the work that they do, and also to the committee members for being here. So with that, Madam Chair, thank you very much, and I'll close.

The Chair: — Thank you, Minister. We can take a moment now. Your officials and yourself are excused while we continue on with the rest of the estimates this afternoon.

All right, committee members, we'll proceed now to vote off the rest of the estimates and the supplementary estimates this afternoon. We have 10 estimates to go through here, and there are a number of subvotes under it, so be patient.

General Revenue Fund Agriculture Vote 1

The Chair: — Under vote 1, Agriculture. Central management and services, subvote (AG01) in the amount of 10,983,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Policy, trade and value-added, subvote (AG05) in the amount of 5,291,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Research and technology, subvote (AG06) in the amount of 31,830,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Regional services, subvote (AG07) in the amount of 32,080,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Land management, subvote (AG04) in the amount of 7,160,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Industry assistance, subvote (AG03) in the amount of 4,449,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Programs, subvote (AG09) in the amount of 26,765,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Business risk management, subvote (AG10) in the amount of 258,177,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Non-appropriated expense adjustment in the amount of 1,849,000. Non-appropriated expense adjustments are non-cash adjustments presented for informational purposes only. No amount is to be voted.

Agriculture, vote 1, for 376,735,000, I will now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12

months ending March 31st, 2019, the following sums for Agriculture in the amount of 376,735,000.

Mr. Michelson so moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

**General Revenue Fund
Energy and Resources
Vote 23**

The Chair: — Vote 23 under Energy and Resources. Central management and services, subvote (ER01) in the amount of 19,422,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Petroleum and natural gas, subvote (ER05) in the amount of 12,896,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Minerals, lands and resource policy, subvote (ER06) in the amount of 46,950,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Non-appropriated expense adjustment in the amount of 3,021,000. Non-appropriated expense adjustments are non-cash adjustments presented for informational purposes only, and no amount is to be voted.

Energy and Resources, vote 23, for 79,268,000. I will now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2019 the following sums for Energy and Resources in the amount of 79,268,000.

Mr. Kirsch so moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

**General Revenue Fund
Environment
Vote 26**

The Chair: — Moving to vote 26 under the Environment. Central management and services, subvote (EN01) in the amount of 17,467,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Climate change and adaptation, subvote (EN06) in the amount of 3,252,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Fish, wildlife and lands, subvote

(EN07) in the amount of 13,103,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Compliance and field services, subvote (EN08) in the amount of 19,367,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Environmental protection, subvote (EN11) in the amount of 37,129,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Forest services, subvote (EN09) in the amount of 7,801,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Wildfire management, subvote (EN10) in the amount of 61,369,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Non-appropriated expense adjustment in the amount of 12,923,000. Non-appropriated expense adjustments are non-cash adjustments, presented for informational purposes only. No amount is to be voted.

Environment, vote 26, in the amount of 159,488,000. I will now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2019, the following sums for Environment in the amount of 159,488,000.

Mr. Steele so moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

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

The Chair: — We will now move to vote 16 under Highways and Infrastructure. Central management and services, subvote (HI01) in the amount of 17,865,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Strategic municipal infrastructure, subvote (HI15) in the amount of 22,745,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Operation of transportation system, subvote (HI10) in the amount of 90,828,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Preservation of transportation system,

subvote (HI04) in the amount of 116,759,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Transportation planning and policy, subvote (HI06) in the amount of 3,361,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Custom work activity, subvote (HI09) in the amount of zero dollars. This is for informational purposes only. There is no vote needed.

Infrastructure and equipment capital, subvote (HI08) in the amount of 672,882,000, is that agreed?

Some Hon. Members: — Agreed.

[16:15]

The Chair: — Carried. Non-appropriated expense adjustment in the amount of 189,707,000. Non-appropriated expense adjustments are non-cash adjustments presented for informational purposes only and no amount is to be voted.

Highways and Infrastructure, vote 16, in the amount of 924,440,000. I will now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2019, the following sums for Highways and Infrastructure in the amount of 924,440,000.

Mr. Buckingham so moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

**General Revenue Fund
Immigration and Career Training
Vote 89**

The Chair: — We will now move to vote 89 under Immigration and Career Training. Central management and services, subvote (IC01) in the amount of 14,466,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Immigration, employment and career development, subvote (IC02) in the amount of 12,722,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Training and employer services, subvote (IC03) in the amount of 3,117,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Labour market programs, subvote (IC04) in the amount of 136,664,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Non-appropriated expense adjustment in the amount of 230,000. Non-appropriated expense adjustments are non-cash adjustments presented for informational purposes only and no amount is to be voted.

Under Immigration and Career Training, vote 89, at 166,969,000. I will now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2019, the following sums for Immigration and Career Training in the amount of 166,969,000.

Mr. Michelson so moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

**General Revenue Fund
Innovation Saskatchewan
Vote 84**

The Chair: — We will now move to vote 84, Innovation Saskatchewan. Innovation Saskatchewan, subvote (IS01) in the amount of 27,135,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Innovation Saskatchewan, vote 84, is 27,135,000. I will now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2019, the following sums for Innovation Saskatchewan in the amount of 27,135,000.

Mr. Dennis: — I so move.

The Chair: — Mr. Dennis so moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried . . . [inaudible interjection] . . . You're spending money. Pay attention.

**General Revenue Fund
Saskatchewan Research Council
Vote 35**

The Chair: — We will now move to vote 35, Saskatchewan Research Council. Vote 35, Saskatchewan Research Council, subvote (SR01) in the amount of 20,376,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. I will now ask a member . . . Saskatchewan Research Council, vote 35, in the amount of 20,376,000. I will now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2019, the following sums for Saskatchewan Research Council in the amount of 20,376,000.

Mr. Kirsch so moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

**General Revenue Fund
Trade and Export Development
Vote 90**

The Chair: — Now move to vote 90 under Trade and Export Development. Central management and services, subvote (TE01) in the amount of 5,553,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Strategic policy and competitiveness, subvote (TE02) in the amount of 1,973,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Economic development, subvote (TE03) in the amount of 10,574,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. International relations and trade, subvote (TE04) in the amount of 2,159,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Trade and Export Development, vote 90, in the amount of 20,259,000. I will now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2019, the following sums for Trade and Export Development in the amount of 20,259,000.

Mr. Steele so moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

**General Revenue Fund
Water Security Agency
Vote 87**

The Chair: — Vote 87 under Water Security Agency. Water Security Agency, subvote (WS01) in the amount of 52,604,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Water Security Agency, vote 87, in the amount of 52,604,000. I will now ask a member to move the

following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2019, the following sums for Water Security Agency in the amount of 52,604,000.

Mr. Buckingham so moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

**General Revenue Fund
Supplementary Estimates — No. 2
Highways and Infrastructure
Vote 16**

The Chair: — We will now move to supplementary estimates. Under vote 16, Highways and Infrastructure, infrastructure and equipment capital, subvote (HI08) in the amount of 70,000,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Operation of transportation system, subvote (HI10) in the amount of 5,500,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Highways and Infrastructure, vote 16 in the amount of 75,500,000, I will now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2018, the following sums for Highways and Infrastructure in the amount of 75,500,000.

Mr. Michelson so moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

This is the Standing Committee on the Economy's fifth report. Committee members, you have before you a draft of the fifth report of the Standing Committee on the Economy.

We now require a member to move the following motion:

That the fifth report of the Standing Committee on the Economy be adopted and presented to the Assembly.

I recognize Mr. Buckingham.

Mr. Buckingham: — I move:

That the fifth report of the Standing Committee on the Economy be adopted and presented to the Assembly.

The Chair: — Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. I now ask a member to move a motion of adjournment.

Mr. Michelson: — So moved.

The Chair: — Mr. Michelson has so moved. All agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. This committee now stands adjourned to the call of the Chair. Thank you, committee members.

[The committee adjourned at 16:25.]