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Ms. Stacey Ursulescu, Committee Clerk
Legislative Assembly of Saskatchewan
7 – 2405 Legislative Drive
REGINA SK S4S 0B3

Dear Ms. Ursulescu:

In response to requests posed during SaskBuilds' Estimates on May 4, 2017, I submit to you the following information.

1. Consortium Members and Subcontractors on Saskatchewan Hospital North Battleford

The new Saskatchewan Hospital is being built by and for Saskatchewan people.

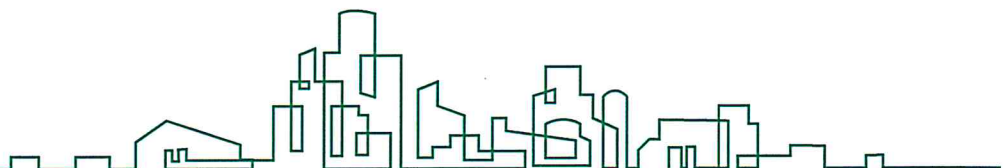
This is one reason the Battlefords Chamber of Commerce has endorsed the project, with President Warren Williams stating earlier this month:

"Saskatchewan companies are some of the best in the world. That construction on a project this big remains on-schedule is a testament to their talents and commitment. We're thrilled this project is providing work for various local companies, many of whom are proud members of the chamber of commerce."

Two of those companies are with the G&C Construction Group. I will point committee members to the following excerpt from the Prairie North Health Region website

(http://www.pnrha.ca/bins/content_page.asp?cid=22-239-29188&pre=view):

Joel Dynna is Area Manager with G&C Asphalt and Ready Mix in North Battleford. G&C is among the 25 Saskatchewan subcontractors involved in the project, along with River City Plumbing & Heating of North Battleford, and Red Pheasant First Nation, located south of The Battlefords.



Dynna stated, "It is so great to be a part of such an historic project as a local business alongside so many other Saskatchewan companies. The residents of this community and province are seeing many benefits from this project with job creation and a boost to the local economy."

Other Saskatchewan companies working on the hospital include:

- Ardel Steel
- Clearlite Glass Ltd
- Clifton Associates
- Concept
- CP Distributors
- Creative Door Saskatoon Limited
- Dodge & Sons Painting
- Delco
- Flynn Canada Ltd
- G&C Asphalt
- G&C Ready Mix (G&C Concrete)
- Global Empire Reinforcing
- Graham Construction
- HyGrade Millwork
- KM Burgess
- Nordic
- Pavement Scientific International Inc.
- Red Pheasant Nation/First Alliance Energy Services/BATC
- Ride on Concrete
- River City Plumbing
- SeeMoreGreen Landscaping
- Scorpio Masonry
- Shanahan's Building Specialties
- Suer & Pollon
- Thermo Design Insulation Ltd
- Thorpe Brothers
- William Scotsman
- WSP Canada Inc.

They are joined by:

- Carillion Canada
- ESC Automation
- Gunnlaugson
- Iken Contracting Ltd.
- Kone
- Kasian Architecture
- Legacy Fire Protection Inc.
- Marathon
- Midwest Contracting
- Multi-Vista
- NORFAB Manufacturing (1993) Inc.
- Northwood Surfaces
- RJ Millwork
- Scientek Technology Corp
- Sherwood Window Limited
- Sunco Drywall Ltd
- Vertical Solutions Inc.
- Western Millwork
- Whitemud Engineering

We have put further questions, respecting the proportion of work and flow of funds to each company, to the project team as requested. On this point, I will reiterate my previous comment that such information is not typically available with respect to government contracts of any nature. Government's relationship is with the contractor; the execution of that contract depends on their business model. However, should Project Co. choose to make such information available, we will endeavor to relay that to the committee.

2. Vendor and Payee Disclosure

As discussed, SaskBuilds submits vendor and payee information to the Legislature in accordance with reporting requirements for Treasury Board Crowns.

Details for the 2016-17 fiscal year will be included as part of the upcoming annual report. Information for any and all other years can be found by contacting the Legislative Library.

Lastly, SaskBuilds' counsel, Chris Hambleton, is not employed through the Management Classification Plan but rather via Order-in-Council as a Senior Crown Counsel, as is standard.

3. Consortium Members and Subcontractors on the Regina Bypass Project

Minister Marit read into the record the more than 95 businesses with Saskatchewan offices and employees working on the project as a member of the Regina Bypass Partners or their subcontractor.

The following companies are also engaged on the project:

- All Span Engineering and Construction
- AVF Construction Enterprises Ltd
- Bermingham Foundation
- Big Nuts Mechanical
- Buckland & Taylor
- Canwest Concrete Coring & Cutting
- COWI North America Ltd.
- DCL Construction Services
- Dan Perrin Consulting Inc.
- Dayton Superior
- Declan Corporation
- Enbridge Pipelines Inc.
- Excel Insurance Group Brokage
- EXP Services Ltd.
- Geopac
- GeoPro Surveys

- Give Back Contracting Limited
- GoodCo Z-Tech
- Gus Construction Limited
- Hydrodig Canada Inc.
- In-Line Contracting
- Jardeg Construction Services
- John Morall
- Layfield Canada Ltd.
- Lockwood Brothers Concrete Products
- Morrison Hersfield
- Nova Pole International Inc
- Parsons Canada Ltd.
- PBX Engineering Ltd.
- Place Crete Waterproof
- Rbee Crushing
- RECO
- Springline Construction Service Ltd.
- Subsurface Geotech
- Tagish Engineering Ltd.
- TransCanada
- Universal Rail
- IUR Professional Services
- Vinci Canada

As above, we have put further questions, respecting the proportion of work and flow of funds to each company, as well as the bypass partners' subcontract with International Road Dynamics, to the project team as requested. On this point, I will reiterate my previous comment that such information is not typically available with respect to government contracts of any nature. Government's relationship is with the contractor; the execution of that contract depends on their business model. However, should Project Co. choose to make such information available, we will endeavor to relay that to the committee.

4. Scoring Matrix for Integrated Capital Planning

With respect to assessing capital projects, I have attached to this letter SaskBuilds' *Project Prioritization Input* document. The information requested can be found therein.

5. Ancillary costs in P3 value for money reports

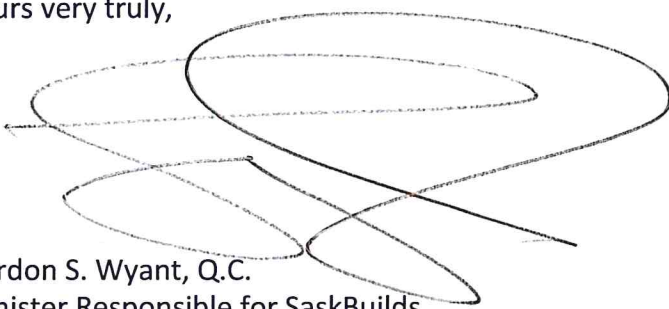
As committee members know, costs associated with planning and executing capital projects form part of the decision when evaluating whether a P3 is the best procurement option. These costs are compared in all value for money reports and included in previously-announced project budgets.

	Traditional/DBB (\$M)	P3 (\$M)
The Meadows	4.784	5.811
Regina Bypass	89	45.1
Saskatchewan Hospital North Battleford	6.6	10.0
Joint-Use Schools Project 1	5.0	7.1
Joint-Use Schools Project 2	8.6	10.9

These budgets generally include honoraria in addition to fairness and professional advisory services as listed on the SaskBuilds website. Any and all of these expenses, as discussed, are considered in advance when a decision is made on the right procurement model.

I trust the committee will find this information of value.

Yours very truly,



Gordon S. Wyant, Q.C.
Minister Responsible for SaskBuilds

Attachment

cc: Rupen Pandya, President and Chief Executive Officer, SaskBuilds



Better Quality of Life for All Saskatchewan People

Project Prioritization Input

2017-18 Planning Cycle

April 2016

The Purpose of Project Prioritization

The Project Prioritization Input document has been developed to support ministries as they complete their capital submissions. For each criterion typical questions are identified to support Ministries to provide evidenced based information that demonstrates a projects alignment to government priorities. Ministries should include any additional information deemed appropriate.

As submissions are prepared the following points should be considered:

- The terms minor, moderate, major, significant and critical are referenced in the criteria. Ministries are expected to use these terms as relative measures to similar assets in their portfolio.
- All evidence provided should be linked to rationale provided in the Business Case (Needs Assessments and Project Options Analysis). Where required, ministries should reference evidence and reports submitted as part of the Business Case inputs.
- For the 2017-18 process, ministries are not required to score their projects. Projects are to be listed in order of priority in the Projects and Programs list.

Responses for each project will be assessed, scored and weighted against government priorities by the Capital Planning Review Committee. Results will be included in the 2017-18 Ten Year Integrated Capital Plan.

1. Meeting the Challenges of Growth

*"Saskatchewan is a province rich in resources with a growing population and a strong economy... The Saskatchewan Plan for Growth is a road map to **sustain** the growth we enjoy today and ensure we continue to realize our full promise as a province moving forward 2020."*

The Government of Saskatchewan is committed to investing in infrastructure that meets the challenges of population growth and foster a competitive economic environment. Projects aligned to this priority will demonstrate their ability to absorb existing or forecasted population growth demands and improve the province's economy (e.g. direct and indirect job growth, supporting trade).

1.1. Economic Impact

Economic Impact					
1	2	3	4	5	Review Committee Rating
The project will not add economic stimulus to the province (status quo) and no expected cost efficiencies/ savings will be gained.	There are minor existing and projected demand pressures. Project will have a minor economic stimuli and only minor cost efficiencies/ savings will be gained.	There are moderate existing and projected demand pressures. Project will moderately stimulate the economy and some moderate cost efficiencies/ savings will be gained.	There are major existing and projected demand pressures. Project will add major economic stimulus to the province and there will be major cost efficiencies/ savings gained.	There are significant existing and projected demand pressures. The asset can no longer accommodate existing demand. Project will have a significant effect on the economy and there will be significant cost efficiencies gained.	
<ul style="list-style-type: none"> Describe the economic impact of the project (including the project's ability to foster a competitive business climate, reduced operating costs for business, ability to support a new market, direct and indirect jobs created and the ability to foster growth in priority value added sectors). Economic impact can be quantified based on the size of the project using an economic multiplier. How will this project support economic growth? (e.g. highways which support commodity transport and exports) If so, describe. What are the expected timelines for anticipated demand pressures (e.g. population and service demand are expected to increase by 20% in three years)? <ul style="list-style-type: none"> How does the demand pressure compare to similar assets within your portfolio? Will the proposed project lead to cost efficiencies? If so, how? Provide estimates of expected savings. Will this project increase program offerings and/or increase government revenue streams? 					
Evidence: <ul style="list-style-type: none"> 					

1.2. Utilization and Capacity

Asset Utilization and Capacity					
1	2	3	4	5	Review Committee Rating
Status Quo. There will be no change in current utilization or capacity. This is not the driver for this project.	There will be a minor increase in utilization and capacity from status quo. Current utilization and capacity is within manageable range.	There will be a moderate increase in utilization and capacity from status quo. Current utilization is moderately outside desired range compared to similar assets.	There will be a major increase in utilization and capacity from status quo. There are major utilization and capacity issues with existing asset compared to similar assets.	There will be a significant increase in utilization and capacity from status quo. Current utilization and capacity is significantly outside desired range when compared to similar assets.	
<ul style="list-style-type: none"> Describe how the project improves the utilization of the infrastructure. What is the current level of utilization relative to the design capacity of the asset? (e.g percentage occupied or traffic volumes). <ul style="list-style-type: none"> How does this compare to other assets? (e.g. average utilization of 80% and this asset is at 95%) If not at full capacity, forecast how soon there will be a need for expansion, relocation or new facility (e.g. within two years due to population growth projections). Are there alternative measures currently being employed to manage the utilization and capacity concerns? (e.g. portable classrooms to manage overcrowding)? <ul style="list-style-type: none"> If so, indicate a timeline for when the measures will become inadequate. 					
<p>Evidence:</p> <ul style="list-style-type: none"> 					

2. Health, Safety and Compliance

“Canadian competitiveness and our status as a developed country depend on modern, efficient, and well-maintained public infrastructure...the Government of Saskatchewan will reduce workplace injuries, promote the importance of workplace safety and ensure workplaces are in compliance with health and safety regulations.”

This section is an opportunity for ministries to **demonstrate the need** for major maintenance or rehabilitation of the existing asset or a new facility due to health and safety drivers and meeting regulatory standards for assets.

2.1. Condition of the Existing Asset

Condition of Existing Asset					
1	2	3	4	5	Review Committee Rating
No risk of closure or loss of asset due to condition.	Minor maintenance issues. No risk of closure.	Moderate risk of closure of a portion/entire asset in the long-term (5 or more years).	Major risk of closure of a portion/entire of asset in the mid-term (3-4 years).	Critical risk of closure of a portion/entire asset in the short-term (less than 3 years).	

Facility Condition Index	Assessment Type	Most Recent Assessment and Frequency	Assessment Tool
(e.g. 20% FCI Score)	(e.g. visual or formal report)	(e.g. 2yrs ago in 5yr rotations)	(e.g. software)

- Describe the current condition of the asset and the associated timeline for government action.
 - What evidence supports the current assessment? Ministries that rely on Central Services for this information should collect and summarize the data available here.
 - How does the current condition compare to other assets within your portfolio? (e.g. average FCI score of 7% but this asset is at 10% which is the 4th highest amongst similar assets).
- When was the condition of the asset assessed? What methodology was used? (e.g. visual assessment, age, independent assessment etc.).
- Indicate if the proposed project is a new asset with a new service or program not replacing an existing asset.
- A concise description of trade-offs allows decision-makers to understand the opportunity cost associated with their choices.
 - Is maintenance of this asset within your current funding allocation?

Indicate the trade-offs that result from apply existing funding to maintaining this asset. For instance, will maintaining this asset mean other pertinent projects will be postponed?

Evidence:

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2.2. Health and Safety Drivers

Health and Safety Drivers					
1	2	3	4	5	Review Committee Rating
No risk of injury, illness or death with existing asset.	Risk of minor discomfort/ illness.	Moderate risk of discomfort, chronic illness and/or injury.	Major risk of serious injury and/or disability.	Critical risk of death if not addressed.	
<ul style="list-style-type: none"> Describe the health and safety issue(s) that the project will address. <ul style="list-style-type: none"> What is the magnitude of the existing issue(s)? and What alternatives exist for addressing the issue(s)? What is the risk of injury, illness or death with associated timelines if the health and safety drivers are not addressed? 					
Evidence: <ul style="list-style-type: none"> 					

2.3. Compliance with Federal and/or Provincial Regulations, Legal Risks or Audit Citations

Compliance with Legislation and Regulations					
1	2	3	4	5	Review Committee Rating
There are no risks of legal action and asset is up to code.	Minor risk of inspection or code regulatory failure(s). No risk of public criticism or legal action.	Inspection or regulation code failure confirmed. There are moderate risks of legal action and/or public criticism.	Inspection or regulation code failures confirmed. There are major risks of legal action and/or public criticism.	There are critical risks of imminent penalty, legal action and public criticism.	
<ul style="list-style-type: none"> Describe the sources of potential risks and whether the project will move government into compliance. Is there a likelihood of legal action occurring if the project does not proceed? <ul style="list-style-type: none"> Which legislation, regulation or code failures have been confirmed? Identify the supporting documents or source. Reference any applicable legislation, regulations, codes or standards. If non-compliant, indicate an approximate timeframe that legal action, penalties or citations may occur. Does the asset have a heritage designation under the authority of the <i>Heritage Property Act</i>? 					
Evidence: <ul style="list-style-type: none"> 					

3. Improved Quality of Life

“The purpose of growth is to build a better quality of life for all Saskatchewan residents. To this end, the Saskatchewan Plan for Growth outlines the government’s direction to improve health care and education outcomes, while building growing and safe communities and improving the lives of persons with disabilities in Saskatchewan.”

This section is an opportunity to demonstrate how the proposed project will improve the quality of life of citizens by increasing access to services and changes to functional requirements. This is also an opportunity to demonstrate the reach of the services to be offered if government proceeds.

3.1. Improved Access to Services

Access to Services					
1	2	3	4	5	Review Committee Rating
Project service area is limited to one rural community or town. No expected additional services from the status quo.	Project service area is limited to a few rural areas and towns. Some minor additional services will be gained from status quo.	Project will service several small cities and towns. Moderate additional services will be gained from status quo.	Project will service major cities and segment of the province. Major additional services will be gained from status quo.	Project will service major cities and segment of the province. Significant additional services will be gained from status quo.	
<ul style="list-style-type: none"> Describe the impact the project will have on access to services in relation to quality of life. Responses should highlight specifically how this project will increase access to services (e.g. expansion, disability accessibility). Describe the geographical service area(s) within the province that the project will impact. <ul style="list-style-type: none"> Responses should include quantitative data to support qualitative information (e.g. approx. 50,000 people will use this asset). Include a list of cities, town and regions that will be affected by this project (e.g. Regina, Saskatoon, Estevan, and the north). A clear rationale should also be included for why this project will affect the listed areas. In addition, indicate whether this project is geographically close to a growth community. Indicate whether the entire service will be lost if the project is not approved. Outline any demand pressures with quantitative data for additional services. What program efficiencies will occur due to the proposed project? (e.g. consolidation of two facilities). 					
Evidence: <ul style="list-style-type: none"> 					

3.2. Functionality

Asset Functionality					
1	2	3	4	5	Review Committee Rating
Service delivery will be functionally maintained. Status quo. No additional program efficiencies will be gained.	Minor deficiencies. Asset lacks ability to adapt to change with functional requirements. Only minor program efficiencies will be gained.	Moderate deficiencies. Asset lacks ability to adapt to functional requirements. Moderate efficiencies to program offerings will be gained.	Major deficiencies. Unable to use portions of asset. Major efficiencies to program offerings will be gained.	Entire asset is functionally inadequate. Significant efficiencies program offerings will be gained.	
<ul style="list-style-type: none"> Describe the significant functional problems or deficiencies that will be addressed if the project proceeds. Examples include: poor physical layout, inefficient design that reduces operational usefulness or efficiency. How will the project improve functionality related to the quality of life of clients/ citizens? <ul style="list-style-type: none"> Outline the current and desired state of functionality compared with similar assets in your sector. Indicate whether there will be efficiencies gained from the proposed project. Indicate whether a portion or the entire asset is functionally inadequate. Provide evidence (e.g. engineer's or consultant's report) that supports this description. 					
Evidence: <ul style="list-style-type: none"> 					

