



STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

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STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

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Mr. Dana Skoropad
Arm River

[The committee met at 16:00.]

The Chair: — I'd like to welcome everybody. This is the Standing Committee on Crown and Central Agencies. I'm Terry Dennis, the Chair of the committee. With us today we have Daryl Harrison, Terry Jenson, Dana Skoropad. We have Todd Goudy substituting for Steve Bonk. We have Jeremy Cockrill substituting for Greg Lawrence. And we have Ms. Aleana Young substituting for Erika Ritchie. And we also have Ms. Meara Conway too as well.

I'd like to table the following document: CCA 8-29, Office of Saskatchewan Information and Privacy Commissioner: Submission re: Bill 17, *The Traffic Safety (Miscellaneous) Amendment Act, 2020*.

Today our committee will also be tabling a list from the Law Clerk of professional bylaws filed by the Legislative Assembly between January 1st, 2020 and December 31st, 2020 which have been committed to the committee for review, pursuant to rule 147(1). The Law Clerk will assist the committee in its review by submitting a subsequent report at a later date. However in accordance with rule 147(3), committee members can also decide to review the bylaws of the professional associations and amendments to bylaws to determine whether or not they are in any way prejudicial to the public interest. The document being tabled is CCA 9-29, Law Clerk and Parliamentary Counsel: 2020 bylaws filed.

Regards to the proceedings tonight, because we're still implementing measures to facilitate safety in the context of the COVID-19 pandemic, if any members need to confer privately during the proceedings, he may do so in the hallway or in the vestibule at the front of the Chamber. And as a reminder, please don't touch the microphones. The Hansard operator will turn on your microphone when you're speaking to the committee. If you have any questions about logistics or have documents to table, the committee requests that you contact the Clerk at committees@legassembly.sk.ca. Contact information is provided on the witness table.

Today we will be considering vote 13, the estimates for the Ministry of SaskBuilds and Procurement; vote 86, the estimates for SaskBuilds Corporation; and vote 197, the lending and investing activities for SaskBuilds Corporation.

**General Revenue Fund
SaskBuilds and Procurement
Vote 13**

Subvote (SP01)

The Chair: — We will now begin our consideration of vote 13, SaskBuilds and Procurement, central management and services, subvote (SP01). Minister Reiter is here with his officials. Mr. Reiter, please introduce your official and make your opening comments.

Hon. Mr. Reiter: — Thanks, Mr. Chair. I have with me in the . . . I'll be happy to introduce officials that are here with me in the Chamber and virtually. I have an opening statement I'd like to read into the record, and I will be happy to answer questions.

With me, staffing me in the Chamber here today is Ang Currie. We also have Deputy Minister Kyle Toffan. And joining us virtually in case we need to leave the Assembly for brief periods of time to consult with senior officials in the ministry, we have chief financial officer of the corporate strategy and services division, Jim Olson; we have assistant deputy minister of the infrastructure design and delivery division, Miguel Morrisette; chief procurement officer of the procurement management division, Kathryn Pollack; assistant deputy minister of operations and service delivery, Troy Smith; and assistant deputy minister of the information technology division, Jason Wall. I thank them all for being available today virtually and appreciate the work they do for the people of Saskatchewan.

The Ministry of SaskBuilds and Procurement was created in November of 2020 through the merger of the ministry of Central Services and the SaskBuilds Corporation. The ministry was created to oversee a new approach to the management of all infrastructure projects and assets, standardize government procurement and IT [information technology] infrastructure, as well as support several important Saskatchewan Growth Plan commitments.

These commitments include delivering a modern approach to IT service delivery and procurement, leveraging government procurement and supply chains to support the development and growth of Saskatchewan businesses, and investing more than \$30 billion over the next decade to build the infrastructure to support a growing province, a strong economy, and a better quality of life for Saskatchewan people.

The Ministry of SaskBuilds and Procurement also provides critical operating and infrastructure services to government, working with client ministries to find the best solutions for their business. Planning work is currently under way for the potential consolidation of infrastructure resources and lines of business from several ministries into the Ministry of SaskBuilds and Procurement. This may include capital planning, project delivery, and asset management from a number of ministries.

This is about better leveraging the expertise of government infrastructure professionals together under a single organization to provide better service and outcomes as we deliver the critical infrastructure that meets the needs of Saskatchewan people and communities. It's not about changing local community and stakeholder input and involvement. Local communities and stakeholders remain important partners and voices in infrastructure development, design, and delivery. This includes important partners and stakeholders such as school divisions, post-secondary institutions, and affiliate health care providers.

As outlined in the estimates before the committee, the ministry's operating budget is \$54.64 million. Many of the expenses handled by the ministry are charged back to the client ministries it serves as a flow-through expense. SaskBuilds and Procurement's total budgeted spending is \$408.29 million.

I will now go over some of the government's planned activities, including highlights of the ministry's budget for this fiscal year. In '20-21, government announced an additional \$2 billion in infrastructure investments to stimulate economic recovery and encourage local job creation. The stimulus funding has been fully

allocated to the following project streams.

Approximately \$1.4 billion for large infrastructure projects. Most of these projects are in advanced planning and designing stages and are scheduled to be completed over multiple years but will support growth over the long term.

More than \$300 million for highway projects for thin membrane surface upgrades, passing lanes, upgrades to municipal roads, and airports. These projects are scheduled to be completed by the end of '22-23, and the majority of spending will occur in '21-22.

Nearly \$170 million for renewal projects to reduce deferred maintenance on provincial and third-party assets, and reduce operating costs through energy efficiency. Renewal projects are scheduled to be completed by the end of '21-22.

\$150 million in per capita payments through the municipal economic enhancement program to support infrastructure projects in communities across the province. Funds have been transferred to municipalities for shovel-ready projects that must be completed by the end of '21-22. The delivery and completion of the stimulus projects vary for each stream, and funding requirements have been included in government's four-year capital plan to build a strong Saskatchewan.

I'm pleased to share information about a few of the major infrastructure projects under way as part of the \$2 billion in stimulus funding delivered through the Ministry of SaskBuilds and Procurement. One of these is the expansion of the Westside irrigation canal. This project is part of the larger \$4 billion Lake Diefenbaker irrigation expansion project that will irrigate up to 500,000 acres of land from Lake Diefenbaker, more than doubling the amount of irrigable land in our province. The lead engineering team has been selected for this project, led by Regina-based Clifton Associates.

Another is the remand centre expansion project at the Saskatoon Correctional Centre. The design team has been selected for this project: Saskatoon-based Strategic Prairie Regional Alliance.

Another is the delivery of two urgent care centres, one located in Regina and one in Saskatoon. These will provide an alternative to emergency departments for an illness or injury that is not life-threatening but can't wait until the next day. This includes mental health and addictions supports. The Ministry of SaskBuilds and Procurement is working with the Ministry of Health and Saskatchewan Health Authority to identify the best delivery options to advance design and construction activities in '21-22. It's expected that a request for proposals for construction management for these projects will be advertised next month.

In addition to the projects I just mentioned, the ministry's '21-22 budget includes supporting other new major capital projects in executive government. In particular, we are taking action to ensure that long-term care services continue to be available to Saskatchewan seniors. The Meadow Lake long-term care project is near completion and will fulfill our promise to develop 13 new long-term care centres in Saskatchewan.

Last year under stimulus, we committed to developing two new long-term care centres in Grenfell and La Ronge. The budget includes funding to begin planning activities for long-term care

facilities in Watson, Estevan, and Regina. These projects are priorities for our government and are aligned with our efforts to improve the quality of long-term care for those who need it. The Ministry of SaskBuilds and Procurement will be working with the Ministry of Health and the Saskatchewan Health Authority to ensure that these projects are delivered efficiently and that they meet community needs.

Government's capital plan includes a significant number of major executive government infrastructure projects, previously announced, that are in various stages of delivery. Some of these projects include 21 school projects in communities across Saskatchewan, including construction of 16 new schools and renovation of five existing schools; the renewal and expansion of the Prince Albert Victoria Hospital and a new hospital in Weyburn. We are expecting to release a request for qualifications for this project this summer.

These major capital projects along with maintenance and renewal investments will result in \$1.5 billion in executive government infrastructure investments in '21-22. We're continuing our commitment to building a strong Saskatchewan and ensuring our communities support quality of life for vulnerable people.

Technology and innovation are key to Saskatchewan's Growth Plan and will be a catalyst for growth in our province's core economic sectors and the growing diversification of our economy. Government is taking a renewed approach to IT service delivery that will support the Saskatchewan Growth Plan and ensure better experience for Saskatchewan people accessing government services online.

Government will be focused on engaging industry for its innovation in the development of new IT business solutions. Government is committed to supporting the transformation of Saskatchewan's economy through innovation and technology and growth of Saskatchewan's technology sector. This renewed approach includes ongoing consultation with IT industry and client ministries to discuss how all partners could work together to achieve better value for government's investment in IT. This is key to serving Saskatchewan people as technology becomes more important in their everyday lives.

Key technology initiatives in the ministry's '21-22 budget include continued work on the Saskatchewan digital identity service. A digital identity is a way to securely prove who we are online. It's used to ensure online services are provided to the intended customer. The Ministry of SaskBuilds and Procurement will continue work on a digital identity service for the province. A digital identity service will make it possible to instantly access government services any time, anywhere, from any internet-connected device with a camera.

The ministry's budget includes \$3.2 million in IT security to protect government's IT systems and the data they hold during a time of increasingly frequent and intense cyberattacks around the globe.

The ministry's budget also includes \$9.5 million for Saskatchewan's air ambulance service. This service provides patients timely access to emergency medical services and safe transportation to the care they need. It operates 24 hours a day, 365 days a year. Saskatchewan air ambulance has a proud history

of serving Saskatchewan. In February of 2021, the organization celebrated its 75th year of operations. In the past five years, the air ambulance team has made more than 14,000 flights, covering a distance of more than 4.9 million kilometres.

I would also like to note that the Ministry of SaskBuilds and Procurement provides funding for the Provincial Archives of Saskatchewan. This takes the form of a grant totalling \$4.36 million. This amount is consistent with funding for the organization in past years.

The Ministry of SaskBuilds and Procurement will continue to build on the success and achievements of the former ministry of Central Services and SaskBuilds Corporation in 2021. Both of these organizations supported Saskatchewan's citizens and businesses in many key ways throughout the COVID-19 pandemic.

The former SaskBuilds Corporation provided procurement and expertise to Education to procure masks for K to 12 [kindergarten to grade 12] schools, and to the Ministry of Health to deliver testing under the rapid point-of-care testing expansion. The former organization served as a single point of contact for solutions to fight COVID-19 with an email inbox for businesses, innovators, and suppliers.

[16:15]

At the beginning of the pandemic, the province had a need to build up its inventory of personal protective equipment. The former SaskBuilds Corporation coordinated individual and business donations of personal protective equipment and invited potential suppliers to reach out through this inbox.

The former ministry of Central Services ensured the Saskatchewan.ca website technology supported a significant increase in traffic as Saskatchewan people sought information about COVID-19 and vaccines. Saskatchewan.ca took centre stage in the government's pandemic response. It provided a single access point for public health measures, testing information, the Re-Open Saskatchewan plan, and vaccine booking.

Public demand for information soared over the last fiscal year. The number of people accessing Saskatchewan.ca more than doubled from 14.4 million to 32.2 million people. People registered for a Saskatchewan account more than tripled from 97,000 to 312,000 people. This increase was driven by people logging on to access COVID-19 test results. Citizens left 60 times more comments and direct messages through government social media channels than the previous fiscal year, at a total of 138,000.

The ministry also delivered a COVID-19 interactive dashboard, used to share case and testing numbers daily. The former Central Services helped to keep government up and running last year when citizens were counting on government more than ever to stay connected and deliver the services they need.

Last spring the ministry enabled all desktops of government employees to be able to work from home and connect to the government network. This enabled government to follow public health recommendations, to respond to COVID-19 cases, and

ensure continued services to citizens. The ministry also increased government's communication line speeds and quickly rolled out Microsoft Teams on employee computers, so staff could have a better video conferencing option.

The ministry also adapted government-owned buildings to safely accommodate citizens and staff. Some key highlights include facilitating increased cleaning at government buildings, installation of Plexiglas barriers where a ministry identified a need, and placement of floor decals and directional signage. These actions by both former organizations were important components of the province's pandemic response.

Now together as one organization with a new ministry mandate, the Ministry of SaskBuilds and Procurement will build on these achievements and deliver on key growth plan commitments. Through key items in this '21-22 budget, including infrastructure, procurement, IT security, and the air ambulance service, the ministry will support government in building, growing, and protecting a strong Saskatchewan.

With that, Mr. Chair, myself and officials would be happy to entertain any questions.

The Chair: — Thank you, Mr. Minister. I will open it up to the floor now for questions.

Ms. A. Young: — Thank you, Mr. Chair, and thank you, Minister, for those opening remarks. Before we begin I would like to of course extend my deep gratitude to your officials for being present and for you for accommodating their presence here tonight on such short notice, as well to the other members of the committee and the staff working tonight on relatively short notice. I know things are a bit hectic with the current state of affairs, so I would like to extend my thanks.

And also to my colleague to my left, the member from Regina Elphinstone-Centre, and also to the committee at large for facilitating the presence of my infant here tonight. With the short notice that we've been getting about committees this session, which I understand is unavoidable, it's led to some child care juggling. So I'm not going to apologize, but I will thank you all for your accommodation and your patience. And I recognize it's a privilege to be able to do this because I'm sure there are folks with young families out there who aren't able to bring their baby to work.

So without that, I believe my colleague from Regina Elphinstone-Centre is going to open us up with some questions after which I will jump back in. So, Meara.

Ms. Conway: — Thank you. And I expect I'll be quite brief. One of my critic roles is Ministry of Social Services, and the reason I'm here is I had just been looking into some of the ways that the ministry is spending on some of their IT projects, one of which is Linkin which I understand is an IBM [International Business Machines] . . . would be listed under an IBM company under Public Accounts.

And that's when I learned that that item is listed under Central Services rather than the Ministry of Social Services. And I went back kind of a number of years and I've seen that in terms of tracking what we've been paying out to IBM anyway during the

first couple of years of this government's term, usually IT costs in ministries — and I'm just using IBM as an example — would be sort of broken down per ministry. And I see that up until about 2014 when all of those costs appear to be under Central Services. So it's become a little bit difficult to kind of see what the respective ministries are paying out on some of these IT contracts.

So my questions relate to that area tonight. I'm wanting to get some clarity on some of the expenditures that are being spent on this Linkin project, and I understand it's here that I need to bring those questions rather than the Ministry of Social Services. I guess I'd start by asking . . . And I'm hoping that because I expect my questions will be quite brief that I can perhaps just ask a cluster of questions, so we can figure out what is known and what's not known so that we can quickly move along to Ms. Young's line of questioning because of course she's the lead critic on this file.

So when reviewing my estimates for Ministry of Social Services, I see that the last time we got sort of a running tally of that Linkin project was in 2015 when it was indicated that we'd spent 57.2 million up to that point, and then there was 5.8 million budgeted in 2015 for licensing and maintenance fees. The following year in 2016, we asked about the cost of Linkin, and it was indicated by the then minister that we no longer budgeted independently for that.

So I guess I'm just hoping to get some clarity today on what has been spent up to date on that Linkin project because I understand that now comes through Central Services. And what is the annual budgeted amount? So what are the licensing and maintenance fees for that program?

I'm a little unclear whether it's all set up and it's just kind of ticking along and it's just those maintenance fees because I know there were some security breaches back in 2019 that were flagged by the Ombudsman. I understand that's been . . . Or sorry, the auditor's report. I'm interested in that amount dating back to 2016 because that's kind of the last time we were able to get some clarity on that.

And any sort of insight you could offer me as a new critic to why there was this shift to kind of having the ministry IT expenses go through the ministry and shifting it over to Central Services, because just as a general note, it's harder to sort of track. It's a little bit less transparency, right, because we don't see what's going out per ministry on those expenses.

Hon. Mr. Reiter: — We'll have some of our senior officials that are dealing with the IT stuff. We'll just go consult with them virtually and come back.

So I'm told that prior to that project being brought to the front that there was no electronic tracking system for children in care. There was paper files in offices all over the province, and it was easier to track a library book than kids. So it was desperately needed when they brought it into place.

You know, you made the point about sort of timewise. And out of respect for that, what we're going to try to do is officials right now are trying to, hopefully by the end of today, like before the estimates are over today, to have a clear answer for you on

expenditures for this year. And then to go back to 2016 is going to take them some time and some work. So what we'd like to do, Mr. Chair, then is at a later date, as soon as possible, we'll table that information with the committee.

[16:30]

Ms. Conway: — Thank you, Minister. I appreciate that. And I guess my only follow-up question is now that this is a new Crown, will there be different reporting . . . I mean, I guess now going forward all of those contracts will have to be broken down. Or is that going to change?

Hon. Mr. Reiter: — I don't believe that'll be the case. The contracts would then . . . just sort of successorship. That would have been with the previous agency. It will just go with the ministry now.

Ms. Conway: — Okay, thank you. I think given that those numbers will be forthcoming, that concludes my area of questioning. Thank you.

The Chair: — We'll move on to anybody else with questions.

Ms. Conway: — Thank you, Mr. Chair.

The Chair: — Thank you. I recognize Ms. Young.

Ms. A. Young: — Thank you, Mr. Chair. I suppose picking up on the last answer might be a good place to start because I admit I am of course new to this file. And I did note there was a bit of back-and-forth even last . . . I believe it was June in estimates. Can you walk me through the move from Central Services to SaskBuilds and Procurement? Because as I understand it, SaskBuilds and Procurement is now a treasury board Crown . . . It is not a treasury board Crown.

Hon. Mr. Reiter: — What happened, SaskBuilds was a Crown. Central Services was a ministry. And now with the amalgamation and the new title, SaskBuilds and Procurement, it's an amalgamation of the former Crown, the former ministry, and it's a ministry now.

Ms. A. Young: — Okay, wonderful. Thank you. So there is no Crown element at all now. It is fully a ministry of government.

Hon. Mr. Reiter: — Yes. Sorry, this gets a bit awkward in structure, right. So what I just explained is where the SaskBuilds and Procurement comes, but the SaskBuilds Crown is still in existence.

Ms. A. Young: — Okay, thank you. So just to make sure I understand — and I'm sincerely just trying to wrap my head around it because it does seem a bit unique at least to my understanding — SaskBuilds remains a Crown. SaskBuilds and Procurement is a ministry.

So for example, things like . . . I guess what I'm looking for is to try and understand how projects going through SaskBuilds essentially work in terms of presentation of information, in terms of decision making. So that decision-making process would exist outside of cabinet. And say, like Orders in Council, SaskBuilds still stands alone as a Crown in terms of its reporting and

decision-making structure or . . . I guess I'm looking for how does this relationship function between the two within the ministry?

Hon. Mr. Reiter: — Sure. Just for clarity is there a particular type of project you're thinking or just in general?

Ms. A. Young: — No. This is sincerely just general understanding to help me wrap my head around it and hopefully be a bit more concise in my next questions.

Mr. Toffan: — Thanks for the question. So basically the easiest way I could sum this up is SaskBuilds and Procurement as a ministry is the operational function of what we do, of our mandate. SaskBuilds Corporation just supports SaskBuilds board of directors, and the board of directors' role is to prioritize infrastructure spending across government.

Ms. A. Young: — So the decision-making process around those infrastructure choices still rests with the board of governors of SaskBuilds who, as I understand it, will bring forward a prioritized list which then goes to cabinet.

Hon. Mr. Reiter: — I'm going to ask Kyle to give you the details of that, but before I do I just want to clarify. I think I may have misspoke, just sort of shorthand, if you will. I think I said "Crown" a couple times. But I want to clarify. I think you mentioned it earlier. SaskBuilds is a treasury board Crown, which of course is different than, you know, what we vision as a Crown corporation. So I just wanted to clarify that, that it's a treasury board Crown. And then I'll get Kyle to comment on your question.

Mr. Toffan: — Sure. Thanks for the question. Really what we're focused on with the Crown corporation itself, the treasury board Crown is, as I mentioned, the prioritization of infrastructure. Those minutes of those board of director meetings go into cabinet and they inform ultimately cabinet decision-making processes usually through the form of a cabinet decision item.

Ms. A. Young: — Excellent. Thank you. And I believe I was throwing the word "Crown" around fairly loosely there as a colloquialism, so yes, I think we're both guilty of that.

So before I roll into my . . . Actually no, I was going to . . . I do have a question that I want to come back to in regards to the digital signature and privacy management aspect that you mentioned in your opening remarks. So I apologize. I'm thinking out loud more than asking a question at this point.

Minister, in your introductory remarks of course you commented on the rollout of, you know, the multi-billion dollar COVID stimulus spending that's going on in the province, specifically as it relates to infrastructure. I believe the number you used was, I think, 1.4 billion. So I'm curious: with the new ministry, how does the procurement process differ, if at all, than in previous years?

Mr. Toffan: — Thanks for that question. So I'm going to go back to the creation of the single procurement service because that might answer the question. We created the single procurement service back in April of 2019, and before that point in time all procurement was done sort of segmented across government.

Since that time we've been doing all executive government procurement — all goods, services, IT, construction that government owns — under one shop. And that was formerly SaskBuilds Corporation, and now that's been rolled into SaskBuilds and Procurement as a ministry.

The work that we've been doing since that point in time has been focused on best-value procurement and not on low cost. Cost is always going to be a factor of course on procurements, but it's not the main factor necessarily on some. And we continue down that path on revitalizing the way we purchase goods, services, construction, IT in government. And I think we do that by engaging local industry and of course other ways too. So I'll just leave it at that for now.

Ms. A. Young: — Thank you. And when it comes to tendering larger projects, I note last year there was some discussion — and this won't come as any surprise to the committee members — there was some discussion last year around what constituted a local company. I suppose it would be in this committee in estimates in June. So I'm wondering if there's comment that could be offered in regards to what mechanisms exist, if any, to prioritize Saskatchewan companies.

[16:45]

Hon. Mr. Reiter: — So sort of two parts to your question. The first one about what defines a Saskatchewan company, I'll read that to you. It's defined as "a business that's located in Saskatchewan, employs Saskatchewan people, pays Saskatchewan taxes, and sources their supplies from Saskatchewan-based businesses based upon capacity, quality, and availability." That's the definition, and then I think I'm going to be paraphrasing here. But I think your question was sort of, you know, what priority is given to contracts to Saskatchewan companies, I think is essentially what you asked.

Ms. A. Young: — Absolutely. There was some discussion of, you know, value over lowest cost. And of course value is somewhat relative, but obviously in opposition we've been pushing on the local piece so I'm curious as it relates.

Hon. Mr. Reiter: — Right. So there's, you know, a number of things that are done. One of them is a program in the ministry. It's called Community Benefits. And I'm going to get Kyle to sort of explain the technical side of that. And Community Benefits is used in awarding of contracts for highway stimulus projects and all other non-highways projects, or I think essentially all other projects right now. So I'll get Kyle to sort of define how the Community Benefits works in awarding contracts.

Mr. Toffan: — Absolutely. So Community Benefits is a procurement tool that we did incorporate in the spring of last year, so we've been doing it for about 12 months. Really what the intent of it is, is to ensure that we maximize local labour on our large infrastructure projects but really other projects too. And so we put that right into the request for proposals, so when bidders bid they can tell us they're going to provide 85 per cent Saskatchewan labour or 95 per cent. And it's a competitive process. It's part of the criteria.

Ms. A. Young: — And for my understanding, are those

Community Benefits distinct from local preference clauses?

Hon. Mr. Reiter: — Sorry, can I just get you to clarify what you mean by local preference clauses?

Ms. A. Young: — Yes. I understood local preference clauses were a mechanism within the Government of Saskatchewan that was a bit of a point of contention within the New West Partnership agreement with some of our neighbouring provinces to the east and west. So I'm just curious if this is the same thing maybe by another descriptor. Or if the Community Benefits are replacing local preference clauses?

Hon. Mr. Reiter: — I think it'd be fair to say probably, you know, any local preference issues can be a bone of contention amongst . . . and not just on the New West Partnership agreement but on the Canadian Free Trade Agreement as well. And I think it's fair to say there's some consternation about anything in that area, including Community Benefits.

Ms. A. Young: — Okay. Sorry if I'm being confusing here. I guess I'm still not clear. Are they the same, or are these different? Like, are Community Benefits their own properly defined category that is distinct from the local preference clauses that are awarded in contracts? Yes, like, is it semantics here that I'm . . . Okay.

Hon. Mr. Reiter: — I think, you know, to a point it probably is, right. You know, I think it's a terminology thing. It depends who you're talking to and how they define it.

Ms. A. Young: — Thank you, Minister. The reason I'm trying to be clear on this is because I did have some questions around, I believe last spring, late last winter the Manitoba Heavy Construction Association had, you know, celebrated Saskatchewan moving away from these. They put out some press releases citing Premier Pallister, obviously with his own interests, celebrating Saskatchewan walking back and removing these clauses within construction tenders and contract documents that would give Saskatchewan-based companies, you know, what I'm sure Brian Pallister would see as an unfair advantage.

So I'm just trying to clarify and get my understanding that what I'm hearing is those have been fully removed now and don't exist.

Hon. Mr. Reiter: — Sure. I can clarify that for you. What the Manitoba construction association would have been referring to was Community Benefits specific to highways projects. You know, as I mentioned I think in our earlier answer, Community Benefits is still being used on stimulus highway projects. It's not used on sort of the — for want of a better term — the traditional highways projects.

You know, when we looked at that it was a bone of contention in that construction industry and frankly we're in a situation . . . I forget the exact amount, but you know, prior to Community Benefits and after Community Benefits, in excess of 90 per cent of Highways contracts are still awarded to local Saskatchewan companies. So that continues to be the case. We don't anticipate that changing.

Ms. A. Young: — Thank you, Minister. Next I think, so I don't

forget with my semi-functional brain here, I'm curious about the digital signature project that was mentioned in your introductory remarks. And I'll perhaps just give a little bit of a preamble here so you can kind of understand the nature of my interest in this.

Sounds wonderful. It sounds like a significant undertaking, but obviously privacy management is a challenge and I think every government everywhere suffers from inter-ministerial silos and difficulties in sharing information.

In my past role with the Saskatchewan School Boards Association, some of the frustration around information sharing between even say, the Ministry of Education and Health, where there'd be significant overlap was a real constant challenge often, you know, to the detriment of individuals and organizations.

So I'm wondering if you could maybe explain further some of the privacy management around the digital signature piece as well as some of the inter-ministerial sharing of information that I anticipate will be going on. Like, is it your ministry that will be, for lack of a better technical term, essentially the guardian or the keeper of all of that information and privacy?

[17:00]

Mr. Toffan: — Right, so I think you had two questions. The first one dealt with digital identity, and I'll cover that. For the other question on inter-ministerial data sharing, I think that question would be best posed to Ministry of Justice and Attorney General. They'll have a much more fulsome answer.

In regards to digital identity, what I would say is that demand for digital government continues to grow both in the public and private sectors, and of course has an impact on our ministry programs. COVID-19 has definitely amplified this and it's raised citizen expectations for real-time information, secure online services, and also 24-7 citizen support, frankly as well. We have taken some steps already working on two transformational products to continue to improve trust, security, and support for citizens through COVID-19 and also well after COVID-19.

The first one is digital ID [identification] which will provide an online alternative to existing physical IDs similar to drivers licences, and we have already talked to the Privacy Commissioner about that just to ensure that we're on the right path.

Another product that we're working on is automated citizen support to ensure that people can get access to services they need 24-7. So whether that's a chatbot or something of that nature, we just want to make sure that we up our game on how we deliver those services.

COVID-19 has triggered a significant increase in public demand for information on Saskatchewan.ca. The minister talked a little bit about this in his opening remarks, so I won't go through those numbers again. But we are mindful of the fact that citizens do want to have new tools to get the services they need from government and we've started down that path more recently.

Ms. A. Young: — Thank you for your comments. I have no further questions in that area. I do have some questions, perhaps I should have done these last, in regards to procurement again,

and definitions of Community Benefit. I'm wondering if you can explain for the committee, I suppose, whether there are any hard targets specific for Indigenous businesses, which I understand would be exempt from trade agreements?

Hon. Mr. Reiter: — So on Indigenous procurement, there's a number of things going on right now. SaskBuilds has a senior Indigenous engagement advisor on staff. Just for brevity, I'm going to give you just a very few examples of some of the projects that have happened.

But first, I would just like to kind of lay out some information on the past four fiscal years of Indigenous procurement spending by executive government. Now when I say that, I should also be clear: individual Crown corporations, there's some significant success stories on Indigenous procurement. I think SaskPower is a very good example of that. They've had some significant success there.

But for tonight for executive government, in the past four fiscal years, it's estimated to be just under \$100 million. In 2016-17 it was 24 million, in '17-18 it was 22 million, in '18-19 it was 24 million, and in '19-20 it was \$29 million. And then I mentioned about some examples, and again we have a long list here, but just some examples of what's happened with Priority Saskatchewan working with Indigenous partners and some success stories that have come out of that.

They assisted Burns & McDonnell with a list of local Indigenous-owned businesses so they could host an Indigenous supplier information session for the SaskPower Great Plains power station.

They worked with the Ministry of Highways to develop a local Indigenous manufacturer for highway signs after the local sign fabricator was bought out and then closed. Priority Saskatchewan also has a long working relationship with Vermette Wood Preservers. They've been working with Highways to streamline that process and working to develop the supply of signposts for Highways.

And then an Indigenous business credit pool was included under the accelerated site-closure program. You're probably aware of that. That was announced not that long ago. It was created to provide an incentive for eligible licensees to work with First Nations and Métis contractors to complete work under the program. If companies collectively spent 30 million of their existing ASCP [accelerated site-closure program] allocations using Indigenous oil field service companies, they'll be eligible to access up to an additional 15 million in ASCP funding for site-closure work. The Government of Saskatchewan partnered with the First Nations Natural Resource Centre of Excellence, who will review applications for eligibility for that program.

So that's just a few. There's many more, but I think that kind of touches on what you were asking.

[17:15]

Ms. A. Young: — Thank you, Minister. I was doing some consultation with industry stakeholders in advance of this, and one of them had noted to me that there had been discussions of a tabled Indigenous procurement policy previously, but at least to

that individual's knowledge, no one has ever seen it. So I'm curious, is that something that does currently exist? And if it does, or if it can be found, is it possible to table that anew?

Hon. Mr. Reiter: — Sorry. I just need you to clarify. So if what actually exists?

Ms. A. Young: — An Indigenous procurement policy. Sorry, you probably can't hear me over the baby. I was doing some consultation with industry stakeholders in advance of tonight, and it had been mentioned specifically within the Indigenous business community that previously there'd been discussion of an Indigenous procurement policy which had been tabled previously, but no one can seem to get their hands on it. So I understand if it's not at the ready right now, but if it is something in existence, I'd ask that if it is found, if it could be tabled.

Hon. Mr. Reiter: — Do you want us to consult or do you just want it at a later time if we could? It's up to you.

Ms. A. Young: — It's really your preference. If you'd like to have a chat about it, I'm quite comfortable with that. But if it's something that can just be found and tabled, then . . .

Hon. Mr. Reiter: — Give us one minute.

Ms. A. Young: — Okay, thanks.

Hon. Mr. Reiter: — So as I mentioned, on First Nations procurement there's a number of initiatives that SaskBuilds is working on. Some areas of government — for example, Crowns — have very specific policies on that. In SaskBuilds I would deem and I would say it's still a work in progress.

Ms. A. Young: — Thank you, Minister. I guess just on behalf of the stakeholders that I did speak to on this, I note . . . I think diversification in Saskatchewan's supply chain is ultimately to the benefit of everyone — to small business, to Indigenous-owned businesses and capital. And yes, the more that we can do to help diversify that supply chain I think ultimately the better for the province.

In the consultation that I have been doing, just for the record, the ask specifically from the Indigenous business sector has been to consider at least 5 to 10 per cent of that total capital spend as a goal certainly to work towards. I'm not sure how much that \$100 million spend cited was as a percentage, but as noted in my consultations with the industry, that 5 to 10 per cent of total capital spend for Indigenous procurement is certainly a target.

I do unfortunately have a question about P3s [public-private partnership]. I know I may be mixing things up but I believe Minister Wyant was both minister of SaskBuilds and minister of Education simultaneously at one point, and in meetings that I had had with Minister Wyant he had indicated that there were no plans to use the P3 model going forward for new school builds. And while I understand there weren't any additional capital projects announced in this year's budget, I was wondering if that remains the case?

Mr. Toffan: — Thank you for that question. There are no P3 projects in the school sector being proposed right now in the capital plan at all. P3s are still being considered as a model for

delivery though on major capital projects, particularly ones that are over 100 million.

So we go through a process through our business case analysis, through procurement options analysis that focuses on things like qualitative aspects of the project, of course cost of the project, risks involved, who in the market can deliver the project. Typically we'd focus on looking at our local market to see if they're able to deliver it first, and then that usually is a trigger on qualitative analysis to get them to focus their attention on bidding, basically. But we do really detailed analysis on this, financial modelling as well, to determine whether a P3 is a fit. On the capital projects in schools right now, there are no good fits.

Ms. A. Young: — Thank you for that answer. So what I'm hearing is currently, obviously there would not be any large-enough bundled joint-build projects in the education sector to necessitate an alternate financing model, but there hasn't been a decided shift away from that, and the government remains agnostic, I suppose, in terms of its approach to financing models. Is that a fair summary?

[17:30]

Hon. Mr. Reiter: — I think it would be fair to say with major capital projects that we look at all the options and determine what we think would be best and the appropriate way to go in the individual situation.

Ms. A. Young: — Thank you, Minister. I have a question that I have to ask on the basis of last year's . . . reviewing last year's *Hansard*. I note last year the former minister was quite excited to report that one electric vehicle had been purchased by then Central Services, and there was a plan to purchase more. I think I'm remembering accurately that hybrid vehicles were also cited as a priority. So I'm curious, to date how many electric vehicles the ministry currently owns, and if the ministry owns any, are those electric vehicles subject to the road-use charge?

Hon. Mr. Reiter: — So the officials tell me there's of course the one that you referenced, the one sort of pilot-project vehicle. There's four more on order that they're expecting to arrive I think fairly shortly. And we have 55 hybrid vehicles in the fleet.

They also mentioned — and it was a good point, I think, it's important to note — that there's about 70 per cent of our fleet is trucks. So there's not necessarily a good correlation there right, because there's the trucks used for things like highway enforcement, for environment, those sorts of things. Okay?

Ms. A. Young: — Thank you, Minister. So no move to the Tesla trucks then?

Hon. Mr. Reiter: — Not yet. Sorry, I just realized I didn't answer part of your question. You had asked about the road fee, and yes, the CVA [central vehicle agency] vehicles will be paying that as well because they're using the roads.

Ms. A. Young: — Thank you. Perhaps a return to a slightly more high-level question as it relates to vote 86 for the SaskBuilds Corporation, which I think I do now, with thanks to your officials, have a bit more or an understanding on. But as we look

at estimates and the \$50 million there, are you able to provide some comments for the record in regards to how expenditures, contracts with individuals or third parties, essentially how the governance and reporting and oversight of SaskBuilds Corporation will work in regards to the funds allocated through budget estimates? Because, you know, \$50 million is a big number and obviously here there's not a great deal of detail provided.

So just on a go-forward basis with the change in nature of this ministry and the various relationships, I suppose I'm looking for, in earnest, some comments for the record in regards to that reporting and accountability and transparency element.

[17:45]

Mr. Toffan: — The \$50 million that you referred to in your question related to vote 86 is for SaskPower distribution network upgrades. And to your specific question on how to ensure accountability, SaskBuilds Corporation will have separate financial statements. We will have a separate annual report and we will also be subject to the provincial audit, no different than any other treasury board Crown. And then on the \$50 million of payment to SaskPower, we are working with them on a process to ensure that the funding is being used for the intended purpose. And they will also have that audited on their side ultimately by the Provincial Auditor.

Ms. A. Young: — Okay, thank you. So as I understand it, that's a one-time cost for this year being transferred through to SaskPower. So in subsequent years, assuming I remain the critic for this next year, is it something that I should anticipate, that next year there may be a — pick a number at random — \$37 million vote there in relation to another one-time cost project?

Hon. Mr. Reiter: — I would describe it as this is part of the stimulus package funding so is allocated there, so in likelihood not. I mean never say never; I don't know what the future holds. And likely this is a one-time, one-year supplement to SaskPower. There was a news release I was just looking, dated April 13th so not very long ago, that kind of lays out what the purpose of this money was for. So I would describe it more as it was an allocation out of the total stimulus package.

Ms. A. Young: — Thank you, Minister. I think I was actually just flipping through that news release as you were out of the room. You know, Mr. Chair, I think actually . . . I think I will conclude my questions there if none of the members opposite have any questions that they want to put to the committee, although I recognize I'm not the Chair.

The Chair: — Thank you, Ms. Young. Do we have any other questions on the floor? Mr. Harrison.

Mr. D. Harrison: — Thank you, Mr. Chair. Mr. Minister, how many projects have been started construction, and which ones?

[18:00]

Mr. Toffan: — Thanks for the question. Excluding highways projects, which the minister will talk about shortly, and also the municipal projects that we advanced \$150 million to

municipalities per capita under the MEEP [municipal economic enhancement program] program, we have a few that are under construction or are anticipated to be under construction in 2021. And these are stimulus and non-stimulus projects.

And I'll read a little bit of a list: Saskatoon remand centre expansion; Saskatoon and Regina urgent care centres, anticipated to be under construction soon; we have the Grenfell long-term care home which the minister alluded to in his opening remarks and something that we're focusing a lot of attention on right now to ensure that that project begins in this year; Northland Pioneers Lodge replacement in Meadow Lake; as well as another project that's in that long-term care space that we're expecting to start construction in this year.

There's also a series of schools, namely, the Regina St. Pius Argyle School consolidation; Moose Jaw elementary school consolidation that we've been working very closely with the school divisions there on, and also with the city of Moose Jaw, and expect to see some progress there this year on construction; Weyburn elementary school consolidation as well is on that list.

In addition to the Saskatchewan Research Council, there's two very key economic development-type initiatives — one to do with mineral and mining, and the other one to do with rare earth and elements facility for processing rare earth minerals.

So as we narrow down our procurement approaches and the different design packages that are going on, we anticipate there to be more to add to this list for stimulus and non-stimulus, non-highways, non-municipal-type projects. We actually may be able to expedite some of the projects as well from the design phase this year through to the construction phase as well. Our timelines change.

We do work with industry quite closely to understand capacity. We don't want to put too much out in the market at one given time. We work with the Saskatchewan Construction Association, association of consulting engineers, and others to ensure that that's not the case.

So I know that the minister wants to also talk a little bit about some of the infrastructure projects that are going on right now in the highway space.

Hon. Mr. Reiter: — Thanks, Kyle. So announced on budget day, to the member's question, there is a significant amount of highways work that was announced. This year's budget provides for more than \$553 million for transportation capital, including 520 million for . . . and then there's a series of projects and I'll just list some of them here.

We're beginning twinning work on Highway No. 3, which is west of Prince Albert. There'll be multiple passing lane projects on highways 2, 3, 12, 14, and 16. There's three sets of passing lanes on Highway 7 from Kindersley to the Alberta border. There's two sets of passing lanes and there's widening as well on Highway 5 from Saskatoon to Highway 2. We'll be completing passing lanes and there'll be other improvements on Highway 39 from Corinne to Estevan. And there'll be various projects that'll improve safety and efficiency of key highways corridors.

The budget also, sort of on that topic of transportation capital,

this budget is going to invest more than \$33 million in transfers related to municipal infrastructure. That's under a series of programs that municipalities are all very familiar with: rural integrated roads for growth program, the urban highway connector program, and the community airport partnership program. There's also going to be \$530,000 for a new shortline rail infrastructure program.

There's also been a more recent, I guess, update if you will on projects under the spring tender release which we budgeted for, paid for in this year's budget but, well, is kind of the way Highways parses out the work throughout the year so that it's not all kind of going to tender all at one time. So this most recent, the spring release which happened . . . I believe it was announced on April 22nd, so just last week, this tender release.

And now there'll be some duplication on this, of course, because this is the actual tenders going out for contractors to bid on: there'll be a Highway 3 twinning west of Prince Albert; there's Highway 11 intersection improvements south of Saskatoon; there's Highway 20, it's a turning lane construction that's near Humboldt; Highway 24, grading and paving from Leoville to west of Chitek Lake; Highway 28, surfacing from Lake Alma to Radville; Highway 35, repairs at Tisdale; Highway 38, embankment safety improvements south of Greenwater Provincial Park; Highway 135, lighting improvement at Pelican Narrows airport; Highways 155 and 908, spot improvements north of Buffalo Narrows and north of Ile-a-la-Crosse; and culvert replacements at more than 30 different locations.

So I'd also add, it was, you know, it was mentioned in that news release on the spring tender package. There's \$300 million in highways stimulus funds that are being invested in thin membrane surface upgrades, passing lanes, and improvements to municipal roads and airports. I would just divert back to, again, that was last week, on the budget day release. It also spoke to — and a couple of these would have been mentioned earlier — there's \$162 million in health care capital. That includes \$7.6 million for the 80-bed La Ronge long-term care facility; \$3.6 million for the future Grenfell long-term care facility; planning stage investment of \$550,000 for new Watson and Estevan long-term care facilities; and a half million dollars of planning dollars for replacement of long-term care beds in Regina.

There's also \$5.7 million for this year's budget: urgent care centres in Regina and Saskatoon; \$1.4 million for Weyburn hospital planning; and \$1.4 million for ongoing work on the program and design plans for Prince Albert's Victoria Hospital. And the list goes on. Obviously it's extensive capital spending in this year's budget and plans for future years as well.

Mr. D. Harrison: — Thank you.

The Chair: — Thank you, Minister. Do we have any other questions? Ms. Young.

Ms. A. Young: — Thank you, Mr. Chair. I do have a couple last questions that I will toss out. Specific to a single project, I'm wondering if I could get an update on the Royal Saskatchewan Museum annex?

Hon. Mr. Reiter: — Just before . . . I'm going to ask Kyle to

answer that specific question, but if I could, when your colleague was in earlier she had asked those questions about the Linkin project. So I told her I'd try and get some information by the end of the day and then the rest we'd follow up in writing.

So for the 2021 year it looks like the cost was \$2.1 million. Staff were trying to get together other numbers, but just to make sure that we're 100 per cent accurate, I'm asking them to follow up and we'll table with the committee at some point, you know, in the near future. We'll table with the committee the rest of the information on that project, okay?

And so with that, to your last question then, I'll ask Kyle to get into that.

Mr. Toffan: — Absolutely. Thanks so much. So we're definitely aware of the Royal Saskatchewan Museum annex challenges that have been faced particularly on the infrastructure side, and that some of the collections frankly are not being housed properly. And so we have been working with the Ministry of Parks, Culture and Sport to look at options for the annex, and this includes existing space within our portfolio of real estate and also maybe some new builds as well to meet their needs.

We did issue an RFP [request for proposal] recently on this, and that's going to be awarded probably within the coming weeks. And this RFP was intended to look at options from a business case standpoint on how we may be able to move forward, of course considering the most cost-effective options possible, to meet the program needs for Parks, Culture and Sport.

No decisions have been made on the project from a build standpoint or any programmatic changes for that matter. But we will provide options through this business case analysis and we don't anticipate it to be a major amount of work. It'll be somewhere in the \$100,000 range thereabouts.

As far as background is concerned, of course we do understand that this facility is quite old. I think in 1985 it was considered a temporary solution on a five-year basis, of course well beyond that five year from 1985.

As far as some of the business casework that we are going to be doing, we're going to refresh the needs analysis that has been done by the ministry in the past to meet functional and operational pressure needs; assess capital options as I talked about; look at high-level cost estimates and capital options within that; and identify the best practices across Canada to deal with these types of issues that are faced because we're not unique in this category, so we want to look and see what others have been doing.

Ultimately we want to identify opportunities to refresh the museum's business plan on the capital options identified through this business case. And the next scope of work will focus on those findings and recommendations from the business case, ultimately looking for a solution for the future for Parks, Culture and Sport.

Ms. A. Young: — Thank you for that, Kyle. I would perhaps just add a personal comment. In a past role I had the opportunity to tour the annex and I would urge . . . I don't know if there are special ministerial or MLA [Member of the Legislative Assembly] privileges, but if you ever have the opportunity to tour

that facility, just not as an archivist or a historian, but it is remarkable the content of the collection in there and the, like, sincere treasure trove of artifacts in Saskatchewan history and folk art that is contained in there. It is impactful and . . . Outside of my role here, just as someone who lives in the province, I would underscore I think the importance of that work. So I'm glad to hear that that initial step with the business case is under way and look forward to hearing hopefully more about that in terms of securing and preserving that collection because it is, it is truly remarkable.

So for my last question shall we be very specific or very broad? Let's be broad. Minister, as I understand part of your role with this ministry is to look at standardizing procurement processes as well as developing — I was flipping through my notes here but couldn't pull it up — but I believe it's kind of a top 10 prioritization list as it relates to capital planning for the province on a go-forward basis.

And you know, given . . . And I respect there's been a great deal of investment in infrastructure and hopefully there will continue to be additional investment in infrastructure and in much-needed repair and maintenance of some of the existing infrastructure in the province. And I'm wondering, as this ministry proceeds in its work and in executing its missions as outlined in your annual report, is it anticipated that this ministry will then house a, for lack of a better term, a database or a warehouse of the state of infrastructure within the province?

For example, you know, top of mind for me is, obviously we think about the school divisions, for example, are aware of their deferred maintenance costs and deferred maintenance projects on individual facilities within their fleet. So within this ministry, do we anticipate essentially a warehouse of information as it pertains to the current state of infrastructure in the province of Saskatchewan?

[18:30]

Hon. Mr. Reiter: — So in answer to your question, obviously condition of assets is very important to any government. Ours is no different. We feel that by centralizing them what we can do is we can ensure that consistency and how assets are evaluated. How they're prioritized will be much better in one central location. That's the goal of SaskBuilds and Procurement.

Ms. A. Young: — Thank you.

The Chair: — Thank you, Minister. Having reached our agreed-upon time for consideration of estimates for Minister of SaskBuilds and Procurement and SaskBuilds Corporation, we'll now adjourn the consideration of votes 13, 86, and 197. Thank you, Minister, and your officials. Do you have some closing comments please?

Hon. Mr. Reiter: — Yes I do, Mr. Chair. Thank you. First of all, I'd like to thank the critic for informative and interesting discussion tonight and also your colleague that was here earlier. I'd like to thank you, Mr. Chair. I'd like to thank the officials that are here tonight, our colleagues on the other side of the House. I'd like to thank Kyle and Ang and all the officials that appeared virtually and helped us with the more technical answers. So thank you, everyone.

The Chair: — Thank you. Ms. Young, do you have any comments in closing?

Ms. A. Young: — Thank you, Mr. Chair. I would extend my appreciation to the minister and deep gratitude to his staff for being here and answering my questions and those of Ms. Conway so thoroughly and thoughtfully — it's genuinely quite appreciated — as well as extending my appreciation to the members opposite as well as you, Mr. Chair, and all of the staff here keeping us moving and helping the good work of governing Saskatchewan go on.

The Chair: — Thank you. That concludes our business for this evening. I would ask a member to move a motion of adjournment. Mr. Jenson has moved. All agreed? Carried. This committee stands adjourned until the call of the Chair.

[The committee adjourned at 18:36.]