

September 30, 2020

The Honourable Gordon Wyant, Q.C.
Minister Responsible for SaskBuilds and Priority Saskatchewan
Government of Saskatchewan
Room 361, 2405 Legislative Drive
Regina, SK, S4S 0B3

RE: SaskBuilds Board-Approved Government Procurement Policy

Dear Minister Wyant,

On behalf of the Saskatchewan Chamber of Commerce (SCC), I want to thank you and the entire team at SaskBuilds for inviting the SCC to participate in industry consultations this past summer. We recognize SaskBuilds' renewed efforts around developing policy in collaboration with Saskatchewan industry. As the Province embarks on an ambitious COVID-19 stimulus package – an additional \$2 billion in capital spending over the next two years on top of the \$5.5 billion announced in March 2020 – getting procurement policy right will be key to realizing the full stimulative impact of this measure.

In the spirit of collaboration, we would like to provide you and your senior officials at SaskBuilds with our thoughts on the Board-approved policy and on the industry engagement process. Overall, we are pleased with both the Board-approved policy and the industry engagement process. The current iteration of the policy is a significant improvement on the first draft that was circulated to industry stakeholders earlier this summer. We acknowledge those working in the Strategy Unit at SaskBuilds for listening to our members' feedback and acting on it.

Statement on Strategic Procurement

The SCC has supported and will continue to support the aims of *Priority Saskatchewan* and the best value procurement methodology. We envision a strategic approach to government and crown procurement - one that sees procurement as an economic development tool, rather than just a series of one-off transactions. To this end, the SCC was pleased to hear senior officials at SaskBuilds explicitly reaffirm their commitment to a strategic procurement approach during the September 17th industry working group call.

Statement on Key Principles

We are encouraged by the statements around an open, transparent, and fair process; a focus on the best possible value for the people of Saskatchewan and on outcomes and business solutions; support for the growth of Indigenous-owned businesses and Indigenous employees; the use of government procurement as an economic development tool, etc. If you recall from our report, *Beyond 2020: A Blueprint for Saskatchewan Business Competitiveness*, procurement themed recommendations included providing for a fair and level playing field for

all proponents; maximizing competition in the marketplace; having clear, transparent rules, timelines, and metrics that are auditable and challengeable; having meaningful qualification requirements; and considering full lifecycle costs and benefits. The SCC is pleased to see that several of the key principles align with our *Beyond 2020* recommendations.

We would also like to acknowledge the language around ensuring “best possible value for the *people of Saskatchewan*” (emphasis ours) being made more explicit in the current version of the policy. In previous iterations, the focus on achieving best possible value was initially oriented in favour of the procuring entity, rather than the taxpayer. Our members, many of whom participated in the industry stakeholder consultations throughout the summer, recommended that the focus should be on behalf of the taxpayer instead. We are pleased to see a focus on taxpayers being reflected in the current version.

Statement on Industry and Supplier Engagement

The SCC is encouraged by language in the policy around enhanced industry engagement. In our May 26th and June 18th letters, we strongly recommended SaskBuilds renew their commitment to early and more meaningful engagement with industry, particularly among vendors operating within the local supply chain. Early engagement is valuable in properly defining the problem, framing creative solutions, and sending clear signals to the local marketplace amidst an environment of uncertainty.

SaskBuilds’ commitment to share upcoming information on procurement activities and offer supplier information sessions will assist suppliers in planning and preparing for competitions. These measures, along with the statement on strongly encouraging multi-stage procurements where appropriate, demonstrates a better understanding of the significant pursuit costs that suppliers face when bidding on projects.

Statement on Best Value Procurement, Saskatchewan Supplier Definitions

In our May 26th letter, we requested a clearer working definition of best value procurement, how it would be evaluated in procurement decisions, as well as the determining factors that would be considered. To the credit of SaskBuilds, the current version of the policy does provide more clarity in this area, particularly around the consideration of factors beyond the total cost of ownership. And while the SCC would have preferred stronger language (i.e. requiring rather than just encouraging public entities to consider other factors than just cost), we do acknowledge the improvements made in this area.

In hindsight, the current definition of what constitutes a Saskatchewan Supplier (one that has a real operational presence within the province and employs Saskatchewan people), is a reasonable one. In our June 18th letter, the SCC recommended a definition that would require a company to have its head office located in Saskatchewan. After further discussion and reflection, we determined that this might be too onerous of a threshold to meet. The “real operational presence” strikes an appropriate balance.

Statement on Community Benefits

A recurring point of contention among industry stakeholders has been the realization of community benefits. Our members in the industry stakeholder consultations have different perspectives on this issue as it relates to definitional scope, how the policy would be executed, and possible unintended consequences. Our members have also told us that the current policy statement on community benefits lacks specific parameters and will need to be narrowed down, or else it will become difficult to assess. This is an area that will likely become more prominent both during and after the COVID-19 pandemic, given the renewed focus on buying local. We are optimistic however, that through the deliberations of the industry working group, we can reach a consensus on a narrowed definition and a workable execution plan.

Statement on Indigenous Engagement

As a matter of principle, the SCC strongly supports increased engagement with Indigenous-owned businesses and Indigenous peoples. We were pleased to see the inclusion of an explicit policy statement on Indigenous procurement. In addition to incorporating a statement on Indigenous procurement into the larger policy, the SCC commends SaskBuilds for inviting Indigenous-owned businesses to participate in the industry consultations and the ongoing industry collaboration working group. We believe renewed efforts around Indigenous engagement will pay dividends in the years to come.

One area where the policy statement could benefit from greater clarity is the distinction between inclusive vs. preferential procurement. The objective of the policy should be ensuring that Indigenous-owned businesses have access to opportunities. Our interpretation of the statement is that SaskBuilds' intent here is for an inclusive rather than a preferential approach. We encourage SaskBuilds to provide greater clarity around this element as we move forward.

Statement on Supplier Debriefing and Evaluation

Throughout the consultation process, our members have told us how important two-way communication and enhanced transparency is for businesses participating in the procurement process. This is especially true during the debriefing stage. Improving the debriefing process will be critical to helping unsuccessful suppliers improve their chances for success in subsequent competitions. In the past, we have heard from some members that supplier debriefings have not been offered as freely or as meaningfully as one would like. The SCC is pleased to read in the policy that debriefings will be offered by public entities at a minimum, to all unsuccessful suppliers who participate in a competitive procurement upon request. Our members (particularly our small business members) welcome enhanced engagement and transparency during the debriefing process going forward.

Important Considerations for Implementation

One of the main items discussed during the recent industry working group call was how SaskBuilds can achieve success in implementing its policy. Ensuring that government procurement policy is being implemented in a *consistent* manner will be integral to the success

of best value procurement. In practical terms, this means the policy would be interpreted in a similar manner, regardless of the procuring entity and that there is consistency in contract language, terminology, criteria, etc.

Fostering a culture of *collaboration and partnership* with industry will also be crucial to the long-term success of this policy. To SaskBuilds' credit, their efforts around the establishment of an industry working group that will continue to meet regularly is a good first step in this regard. A co-benefit of SaskBuilds maintaining an ongoing dialogue with industry is that it allows for clearer lines of communication and the ability to proactively deal with issues as they arise in near real-time. It also fosters a culture of continuous improvement and organizational learning for both government and industry.

The SCC was pleased to hear that SaskBuilds' current policy has tremendous buy-in from senior leaders at both the political and administration level. In order to ensure policy success, the next step is to ensure there is also sufficient buy-in at the *staff level*. The current SaskBuilds policy does contain language around enhanced training for SaskBuilds' staff to support the policy.

Taking this one step further, a recommendation here would be to train SaskBuilds' staff alongside industry representatives so that they can meet with and better understand each other. Having staff and industry representatives personally interact with each other and better understand each others' perspective will assist in garnering the necessary buy-in from SaskBuilds' employees.

Once again, thank you for the opportunity to provide comment on the Board-approved government procurement policy.

Sincerely,



Monica Kreuger
Chair of the Board
Saskatchewan Chamber of Commerce

Cc:

Kyle Toffan, President and CEO, SaskBuilds