

May 10th, 2017

SIMSA Notes Business Case for Unsuccessful Bid Practices

The Saskatchewan Industrial and Mining Suppliers Association (SIMSA) noted several news items on May 8, 2017, in regards to the “practice that honorariums are paid to unsuccessful bidders.”

These articles often refer to, “In 2015-16, Saskatchewan paid private companies \$5.6 million for unsuccessful bids on provincial P3 projects.”

SIMSA would like to confirm that the Government of Saskatchewan’s policy on this is prudent.

SIMSA would like to clarify that these are generally projects which can take up to a year for a team of designers and estimators, to pull together the design and tender proposal required to be considered.

So, the moneys paid out to the unsuccessful bidders generally does not even cover the cost of developing the design required to put together a responsible proposal (let alone out of pocket etc.). So, these companies are not making money by participating in the RFP process.

The business case for Government is, if you did not provide some level of compensation, the level of competition would drop off significantly and the tax payer would end up paying many many more times the cost of the honorarium to get the project built.

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About The Saskatchewan Industrial and Mining Suppliers Association (SIMSA):



Saskatchewan Industrial & Mining
Suppliers Association Inc

SIMSA is the Saskatchewan Industrial and Mining Suppliers Association, representing Saskatchewan based companies who provide goods and services to mining, oil and gas and industrial projects. SIMSA’s membership of over 100 companies, represents well-over \$4-billion in annual revenues with the province. SIMSA’s mandate is to represent the interests and concerns of Saskatchewan industrial equipment and service suppliers, through promotion of its members and the creation of partnerships with industry and other associations.

For more information, contact:

Eric Anderson, Executive Director, eric.anderson@simsa.ca