

## **SIMSA Major Project Procurement White Paper**

### **February 26<sup>th</sup>, 2019**

The Saskatchewan Industrial and Mining Suppliers Association (SIMSA) has prepared this White Paper for SaskPower, outlining ways the corporation could better meet the needs of SIMSA members in major project procurement.

To develop this document, SIMSA members provided many useful ideas and suggested approaches that could be shared with SaskPower. We then met internally to distill the responses into a format, that allows us to raise our issues and to establish the basis for ongoing discussions with SaskPower. The resulting draft-document was further reviewed by our members, then approved by our Board, which resulted in this White Paper.

SIMSA represents over 180 Saskatchewan suppliers to Saskatchewan's mining, energy, and industrial sector; this group of companies represents over 20,000 employees and over \$10-billion in revenues.

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.

SIMSA will endeavor to:

- Promote the capabilities and capacity of the Saskatchewan industrial manufacturers and service suppliers;
- Co-ordinate on behalf of the membership, labour attraction and recruitment missions;
- Provide one voice in regard to new policies and/or regulations that may affect members
- Pursue and advance the interests of the association members

To be a SIMSA member, a company must; have at least 3-employees in the province, have a permanent bricks and mortar location in the province, be PST and WCB registered in the province, have an interest in the promotion and growth of the Saskatchewan-based supply chain; and may also have the opportunity to run for a SIMSA Board position, only if their company's global corporate head office is located in Saskatchewan. In short, we represent Saskatchewan suppliers.

SIMSA has grown substantially over the past 2-years. Our events bring the supply chain face-to-face with the procurement staff of the major mining, oil, and industrial companies operating in Saskatchewan; in short, we foster a dialogue to help both.

## **SIMSA Procurement Policy Suggestions**

SIMSA welcomes the work SaskPower has done to inform our members of planned major projects. The meetings held on the Chinook Project are a good example of how advance notice can result in improved Saskatchewan content. In this regard, we make the following recommendations:

1. Provide advance notice of major upcoming projects allowing SIMSA members to prepare to compete.
2. Hold pre-competition meetings with SIMSA members to discuss in detail the project and how the competition will be scored. Consultation on how the competition could be structured could also take place

SIMSA is very supportive of SaskPower's initiative re-establishing a Supplier Development capability within the corporation. We would like to make the following recommendations tied to strong supplier development:

3. Develop effective ways to encourage EPC's on major projects to understand and use the capabilities of SIMSA members, including encouraging the EPC to use SIMSA's "Saskatchewan Supplier Database."
4. Take on the responsibility of evaluating and understanding the capability of Saskatchewan suppliers based on experience, capacity, past project evaluation, and ability to execute. Focus on best value for the corporation. Discussions and site visits would be part of this process.
5. Encourage the development of Saskatchewan business relationships / joint ventures allowing the creation of Saskatchewan expertise at competitive prices.

SIMSA recognises the important role SaskPower's procurement staff have in building a stronger Saskatchewan capability to serve the needs of both SaskPower and the broader provincial economy. We have the following recommendations regarding the procurement process:

6. Develop competition documents that allow competent Saskatchewan companies to effectively compete.

7. Create work packages that make sense for Saskatchewan companies avoiding bundling that encourages out-of-province competition.
8. Deliver better debriefing of unsuccessful Saskatchewan companies with the goal of helping them compete more effectively in the future.
9. Find better ways to allow innovation while protecting the companies that offer innovative solutions.
10. Create better privacy for bid submissions so they are not accessible via “access to information.”

SIMSA recognises the leadership role that SaskPower has taken with respect to indigenous procurement. In this area, SIMSA makes the following recommendations:

11. Continue to consult with indigenous companies on ways to increase involvement and to better understand their capabilities and experience.
12. Where it makes sense, use the indigenous exemptions of trade agreements to assist Saskatchewan indigenous companies. Include the option of sole source contracts involving both indigenous and non-indigenous Saskatchewan companies.
13. Require bidding companies to report on their aboriginal engagement in relationship to ownership, as well as:
  - a. Employment of Aboriginal people
  - b. Mentoring, education, training, and development of Aboriginal people
  - c. Community investment into areas positively impacting programs and services for Aboriginal people
  - d. Subcontracting to companies adhering to these herein described guidelines.

SIMSA also recognizes the ongoing relationship that exists between SaskPower and Priority Saskatchewan. SIMSA recommends:

14. Continued communication between SaskPower and Priority Saskatchewan on providing better access for SIMSA members and on promotion of best value in procurement decisions.

Finally, SIMSA members have some broader suggestions:

15. Educate SaskPower employees on the importance of; (1) Saskatchewan companies as contributors to the economy of the province, and (2) Saskatchewan companies as customers of SaskPower.
16. Consider going to local suppliers rather than to OEM suppliers.
17. Look for opportunities to strengthen Saskatchewan's engineering sector, by making better use of and helping develop Saskatchewan engineering companies.