

SIMSA Member Feedback on Procurement Practices

External use

May 1, 2025



Saskatchewan Industrial & Mining
Suppliers Association Inc

SIMSA Member Feedback on Procurement Practices

Executive Summary

In an effort to understand how today's procurement practices are affecting our members in real terms and to guide meaningful action; from March 27 through April 4, 2025, the Saskatchewan Industrial and Mining Suppliers Association (SIMSA) conducted an anonymous member feedback survey using Survey Monkey.

The survey saw 55 responses, which represents 18.3% of SIMSA's membership (once Associate and Reciprocal members are excluded).

The feedback we received serves as both a warning signal and a roadmap. By addressing these concerns, procurement stakeholders can foster a healthier, more efficient, and more sustainable industrial supply chain in Saskatchewan.

Key Findings

1. Excessive Payment Terms

- The most pressing issue reported was the widespread imposition of extended payment terms—Net 60, 90, or even 150 days—primarily by larger clients.
- These terms were described as “unacceptable” and akin to turning suppliers into de facto lenders, placing significant pressure on cash flow and operational stability.
- Many businesses are responding by increasing rates or margins, reducing competitiveness or forcing them to decline work.
- The monthly costs to members are in the millions of dollars.

2. Project Delays and Uncertainty

- Nearly all respondents reported project delays, citing scheduling conflicts, late financing approvals, supply chain bottlenecks, and labor shortages.
- These delays often result in holding costs, inability to retain skilled workers, and significant stress on profitability.

3. RFP/RFQ Quality and Fairness

- Respondents frequently noted poorly structured RFPs/RFQs with unclear scopes, outdated or missing information, and unrealistic deadlines.
- There were strong calls for better communication, more time to prepare bids, and increased transparency around evaluation criteria.

4. Misalignment Between Proposal Effort and Award Value

- Many felt the cost and time required to prepare proposals are disproportionate to the potential contract value, particularly for lower-value or routine work.
- This issue is compounded by redundant requirements and a lack of standardized formats.

Recommendations for Improvement

To address the issues raised by members, the following improvements are recommended:

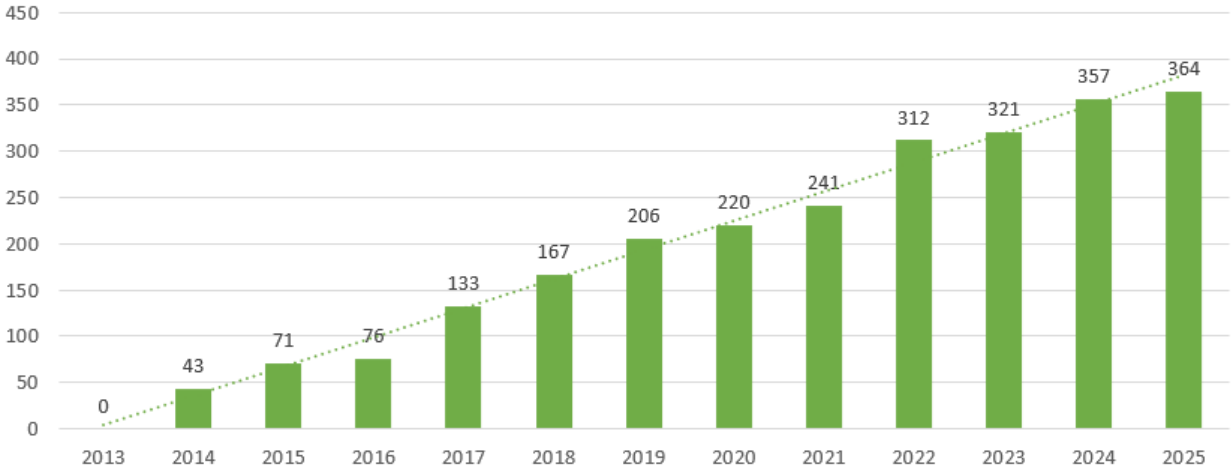
- 1. **Improve Payment Practices:** Adopt standard Net 30 terms and enable milestone or progress billing to ease supplier cash flow challenges.
- 2. **Strengthen Project Planning:** Involve suppliers earlier in planning, provide flexible start windows, and align scheduling with permitting and financing timelines.
- 3. **Upgrade RFP/RFQ Processes:** Use standardized templates, allow adequate bid periods, offer Q&A sessions, and provide post-submission feedback.
- 4. **Enhance Engagement & Communication:** Increase pre-qualification transparency, maintain feedback loops, and facilitate more industry-supplier engagement.
- 5. **Align Proposal Effort with Project Scale:** Simplify small or routine RFPs and reduce documentation redundancy.
- 6. **Build Supply Chain Resilience:** Encourage long-term sourcing strategies and include resilience metrics in procurement evaluations.
- 7. **Modernize Tools & Platforms:** Streamline digital submission systems and ensure they are user-friendly and consistent across clients.

About SIMSA

SIMSA’s 364 member companies all have a permanent physical office in Saskatchewan, have total sales of over \$17-billion annually, and employ over 35,000 persons in the province. We are the core of Saskatchewan’s mining, energy, and industrial supply chain.

SIMSA “helps our members sell stuff” by bringing them face-to-face with procurement persons, providing educational items relevant to selling, and guides in long term needs such as labour. With this focus, SIMSA has seen steady growth since our inception in 2013 – including through COVID.

Total SIMSA Membership Number
(All as of Sept 1 each year)



Survey Results

Question 1: What is your opinion on the payment terms you are being asked to agree to?

The survey responses regarding payment terms reveal several recurring sentiments:

- Many respondents feel the terms are too long, with some describing them as "extremely long," "too long," or even "unacceptable."
- Extended payment periods (60, 90, even 150 days) are a common issue, especially from larger clients.
- Some note financial strain, such as challenges in paying employees or being forced to raise rates or margins to cope with delayed payments.
- A few respondents mentioned specific industry challenges, like being held back from payments until product delivery or facing unfavorable milestone conditions.
- However, a small number reported neutral or positive experiences, stating payment terms were fine or reasonable (typically around 30 days).

In short, most feedback indicates frustration with increasingly long payment terms and the financial burden they place on suppliers.

The key themes were:

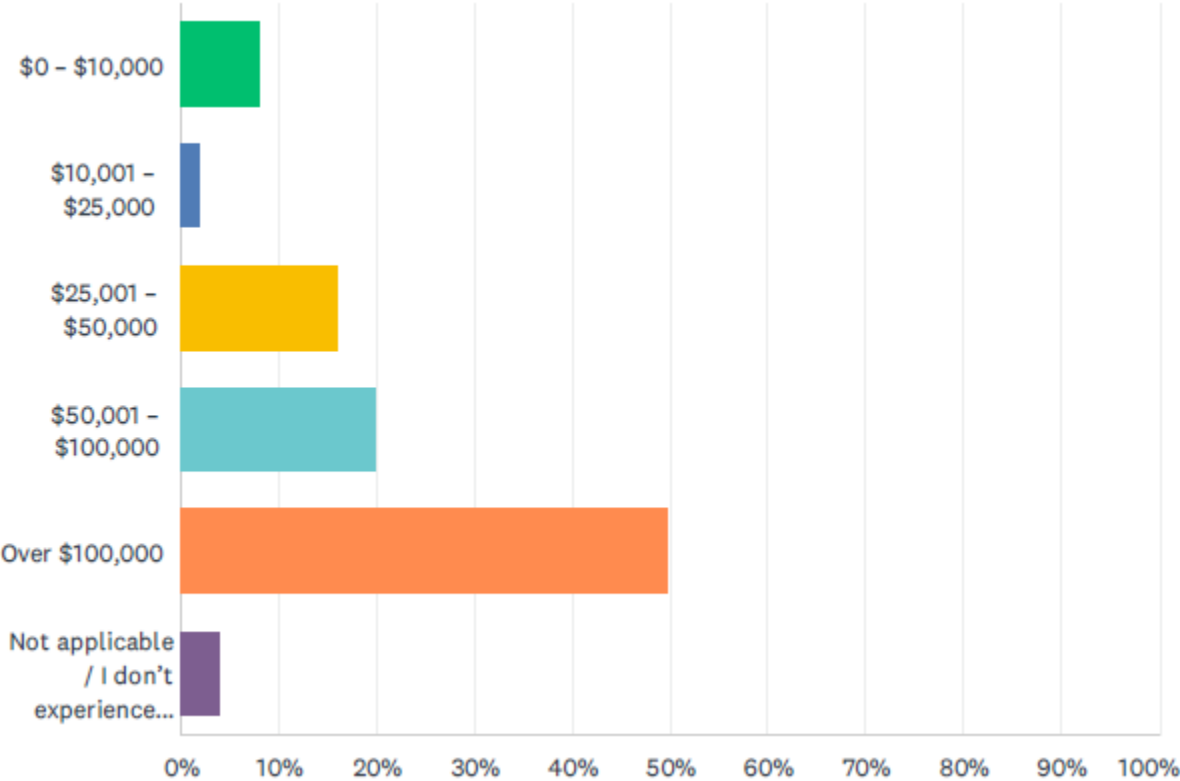
1. Excessively Long Payment Terms
 - Many suppliers explicitly call out terms like Net 60, Net 90, and even Net 150 as "too long", "unreasonable", or "extremely long".
 - There's a sentiment that large clients are leveraging their size to push for these extended terms at the expense of smaller suppliers.
2. Cash Flow Pressure
 - Suppliers mention difficulty in managing payroll, paying subcontractors, and covering manufacturing costs.
 - Phrases like "we pay employees weekly", "holdback on projects", and "financial burden" highlight the mismatch between cash inflows and outflows.
3. Profitability & Price Adjustments
 - Several responses mention being forced to increase rates or margins to compensate for slow payments.
 - This results in either becoming less competitive or having to decline projects altogether.
4. Imbalance of Power
 - Many feel the dynamic is unfair — describing it as a "one-way street" where owners and contractors delay payments while still expecting on-time delivery and performance.
 - One respondent noted, "contractors are pushing to not pay until product gets delivered... while we pay manufacturers early."
5. Project Structuring Challenges
 - Extended terms complicate milestone billing and cause suppliers to carry more financial risk.

- Smaller projects without progressive billing are cited as being particularly burdensome.

Example statements included:

- “Too long. We pay employees weekly, invoice bi-weekly, and get paid 60+ days later.”
- “Clients are extending payment terms to improve their cash flow, which hurts ours.”
- “They are absolutely unreasonable and make it hard to maintain positive cash flow.”
- “Contractors and owners are pushing to not pay anything until a product gets delivered to site... It feels like a very one-way street between an owner and a subcontractor/supplier.”
- “Not acceptable, especially in the present industry and political environment.”
- “Almost always completely unreasonable... We’re essentially being turned into a bank.”
- “Too long and impacting our profitability. We attempt to compensate by increasing rates.”
- “Extended payment terms, such as Net 90, threaten our ability to stay in business.”

Question 2: If you had to estimate the annual impact of delayed payments on your business, which range best applies?



With 50% of respondents placing annual costs in the “over \$100,000” per year category, it is obvious a higher set of costing brackets were required for the survey.

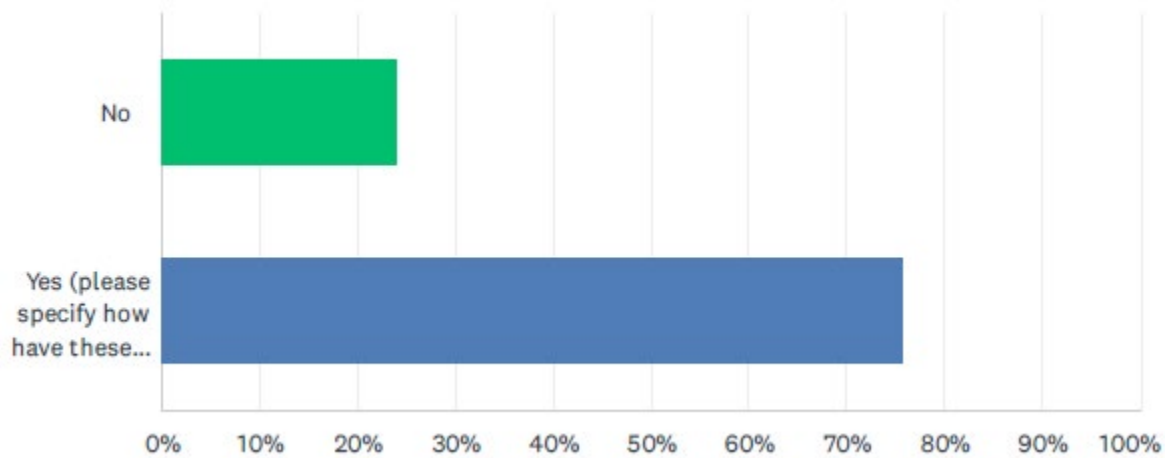
As an extrapolation, if 303 SIMSA members (total membership minus Associate and Reciprocal members) had an average annual financing cost of \$100,000 (not “over \$100,000”), the total annual costs would be \$30.3-million or \$2.5 million per month.

As a “napkin math check” for some context, per the 2024 SMA [Minerals FactSheet](#), “In 2023, SK mining companies purchased over \$2.8 billion of their total goods and services from Saskatchewan suppliers.”

Assuming an annual interest rate of 7.25% to 8.75% for suppliers with moderate credit scores (2.5 – 4.0 points above assumed benchmark of 4.75%), if a quarter of the local spend (\$700 million) were financed via terms beyond 30-days, this would result in approximately \$50.8 and \$61.3 million in annual interest. Therefore, each 30-day delay in payments beyond 30-days, could cost local suppliers up to \$4.2 million to \$5.1 million in monthly interest charges.

In either of the above scenarios, the monthly costs are in the millions of dollars.

Question 3: Have you seen any project delays in the past 12 months? If so, how have these delays impacted your business.



Most Common Themes of Project Delays

1. Scheduling/Timeline

- Respondents frequently cited general delays and challenges in meeting project timelines.
- Examples of comments:
 1. “Large scope projects generally have delays for one reason or another.”
 2. “Yes. In the past 12 months, we have experienced multiple project delays due to a variety of factors including scheduling conflicts and extended lead times.”
 3. “They are a direct financial impact as you could be paying for a crew with nothing to do if the project is delayed.”
 4. “Projects delayed due to licensing and financing, but also scheduling of subcontractors has been a recurring challenge.”
 5. “It's difficult to plan manpower when you don't know exactly when a job will start or if it will be delayed again.”

2. Financing/Budget

- Issues like cost management, holding pricing, and project financing were recurring concerns.
- Examples of comments:
 1. “We aren't able to hold pricing past original dates. The costs keep going up.”
 2. “Impact to cash flow, employees, subcontractors and suppliers. We carried employees, at our cost, to ensure they were available to help execute on the projects once they finally moved forward.”
 3. “Change orders... can take 1–3 months to get approved, further delaying payments. Monthly progress payments... extended to 30+ days, causing even more delays.”

3. Supply Chain/Materials

- Delays related to material availability, equipment delivery, and broader supply chain disruptions.
 1. “Large scope projects generally have delays... suppliers who constantly miss their promised fulfillment dates due to shortage from their manufacturers or shipping delays.”
 2. “Delays have us holding onto equipment and using our warehouse space as storage... Also not being able to be paid on equipment ready to ship is very common.”
 3. “Delayed cash flows have impacted our ability to maintain inventory levels and timely procurement of necessary parts, causing delays in repairs, equipment rentals, and overall project timelines.”
 4. “Delays in projects place strain on supply chain companies who ramp up inventory... to meet the needs of short project delivery timelines.”

4. Labor/Manpower

- Difficulty planning and securing adequate manpower impacted project progress.
- Examples of comments:
 1. “It's difficult to plan manpower when you don't know when jobs will start.”
 2. “Keeping good workers employed is difficult without the work. Risk losing people to other organizations during the ‘waiting’ period.”
 3. “We cannot lay off qualified workers in this environment. Often scrambling to top up work.”
 4. “We have to keep the shop fed with work... When the project is delayed, we have an immediate hole... we suffer the cost of staffing who aren't generating revenue.”

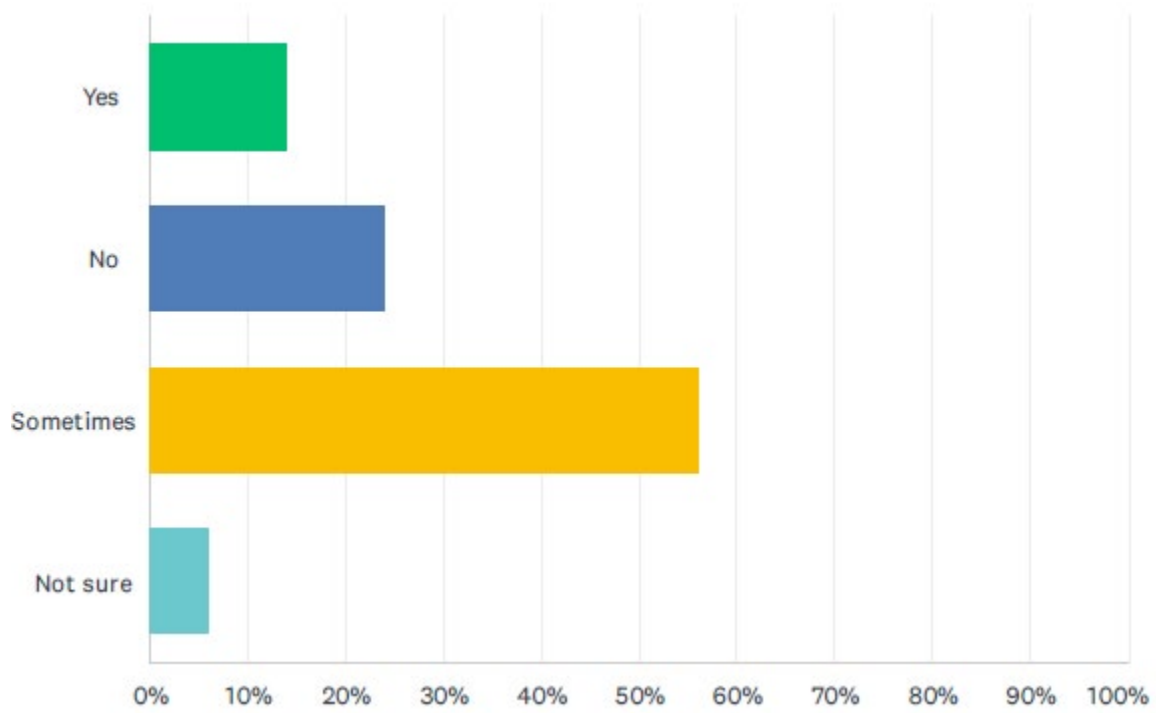
5. Licensing/Permitting

- Regulatory or permit-related delays were noted, but less frequently.

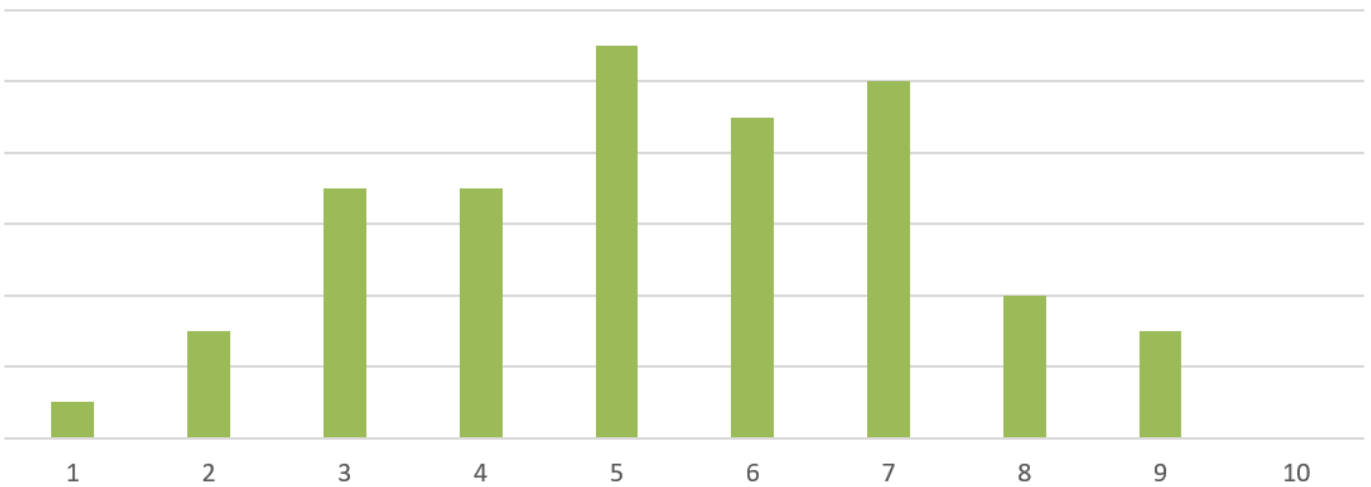
6. Client/Owner Decisions

- A few responses mentioned delays due to indecision or direction from project owners or clients.

Question 4: Are you being pre-qualified for bids in advance, so you have prior knowledge of upcoming opportunities?



Question 5: How would you rate the overall quality of RFPs or RFQs you receive?



Question 6: What improvements could be made to the RFPs or RFQs?

The most common themes on potential RFP or RFQ improvements, fell into 6 broad areas:

1. Clarity and Completeness
 - Clear Scope of Work: Respondents emphasized the need for well-defined scopes and expectations.
 - Complete and Consistent Information: Several mentioned inconsistencies in the documentation, including missing or outdated information.
 - Structured Requirements: Requests for clearer formats or templates to ensure all necessary data is easily accessible.
2. Communication and Engagement
 - Pre-RFP Communication: Some respondents highlighted the importance of early engagement or briefings before the RFP is issued.
 - Q&A Opportunities: Desire for dedicated sessions or clearer processes for addressing questions during the RFP period.
3. Timing and Scheduling
 - Adequate Response Time: Feedback indicated that timelines were often too tight, not allowing sufficient time for thorough responses.
 - Realistic Deadlines: Suggestions were made to better align RFP deadlines with supplier availability and workload.
4. Evaluation and Feedback
 - Transparency in Evaluation Criteria: Requests for better understanding of how responses will be scored.
 - Post-RFP Feedback: Interest in receiving constructive feedback after submission, especially when not selected.
5. System and Process Improvements
 - Digital Tools and Submission Platforms: Some mentioned inefficiencies in submission processes and suggested improved platforms or standardized submission methods.
 - Avoid Redundancies: There were notes about repetitive questions or unnecessary detail being requested.

Sample quotes for each section included:

Clarity and Completeness

- “Clear scope of work. An understanding of the task and what is being requested.”
- “Ensuring all completed and required information is included in RFPs.”
- “More structured format would help locate requirements quicker.”

Communication and Engagement

- “It would be beneficial to have a short briefing or discussion ahead of releasing the RFP.”
- “Sometimes there is no opportunity to ask questions or clarify scope.”

Timing and Scheduling

- “Tight deadlines make it hard to give our best response.”
- “More lead time between release and submission deadlines would be appreciated.”

Evaluation and Feedback

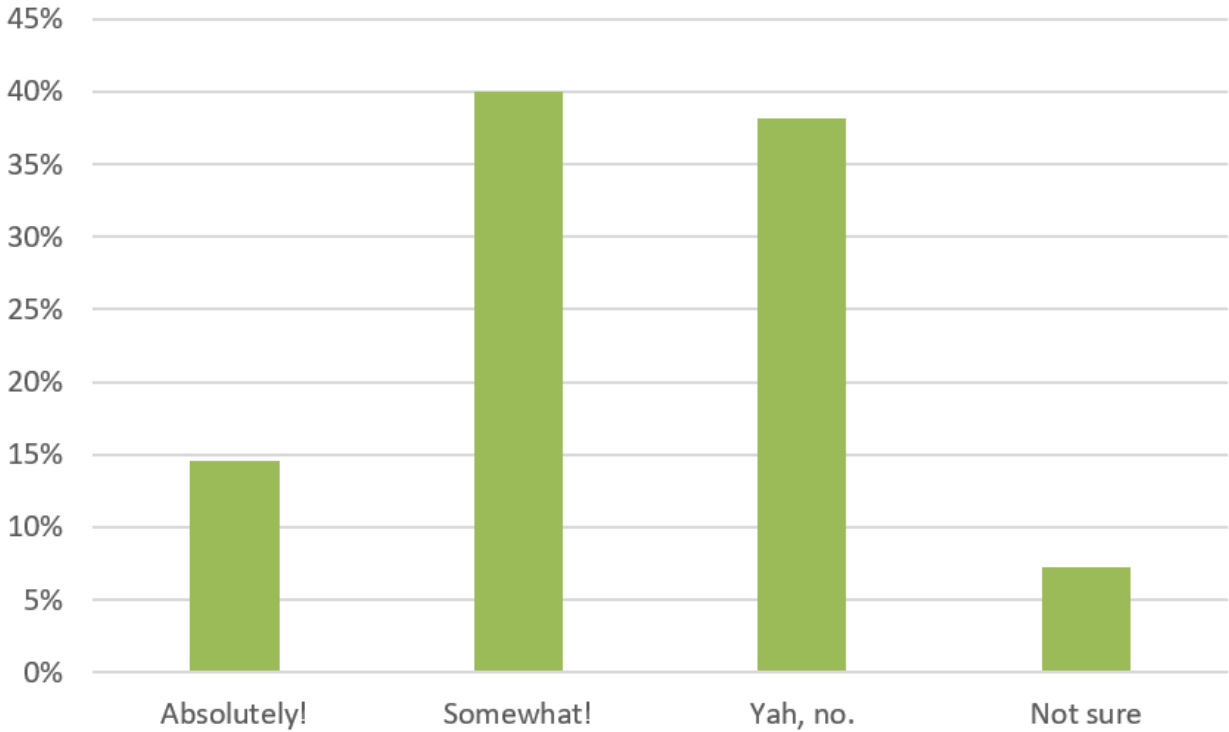
- “It’s unclear how responses are evaluated.”

- “Would be useful to receive feedback on our submissions, even if unsuccessful.”

System and Process Improvements

- “Avoid duplication of questions across documents.”
- “The submission platform could be improved – not always user-friendly.”

Question 7: Do you believe the cost of preparing proposals is proportional to the value of the contracts awarded?



Question 8: Do you have any feedback on the specific requirements you are seeing within RFPs and RFQs?

The survey results focused on five key feedback areas:

1. Request for More Detail
 - Several respondents expressed a desire for more detailed or clearer requirements in the RFP documents. Ambiguities or overly general questions were cited as challenges.
2. Bid Period Duration
 - There is a strong preference for longer bid periods. Suppliers noted that short timelines limit their ability to provide comprehensive and competitive responses.
3. Clarity and Consistency
 - Some feedback highlighted that while parts of the RFPs are straightforward, others are complex and unclear. This inconsistency can lead to confusion or misinterpretation of requirements.
4. Realistic Expectations
 - A few responses suggested that expectations in some RFPs might be unrealistic or not aligned with actual market capabilities, making compliance difficult.
5. Engagement and Collaboration
 - There were calls for more collaboration and dialogue during the RFP process. Respondents felt that better engagement could help refine requirements and foster mutual understanding.

Sample comments included:

1. Clarity and Detail in Requirements

“Some RFP sections were well-defined, but others lacked the detail necessary for a confident response. Clearer guidance would greatly improve response quality.”
2. Bid Period Duration

“The current response timelines are too short for us to prepare high-quality proposals. Extending the bid period would allow for more thorough and competitive submissions.”
3. Complexity and Language

“Certain requirements are written in a way that’s overly technical or vague. A more consistent and simplified language would help avoid misinterpretation.”
4. Realism of Expectations

“A few of the specified deliverables or timelines seem unrealistic based on industry standards. It would help if these were reassessed with supplier input.”
5. Supplier Engagement

“We would welcome more interactive engagement during the RFP process. Opportunities to ask questions or attend clarification sessions would be valuable.”

Question 9: Is there anything else that you would like to provide feedback on?

These replies covered a lot of topics. They can best be categorized as follows:

1. Improvement Suggestions

Theme: Call for clearer processes, better follow-up, and efficiency.

Examples of feedback:

- Requests are sometimes too detailed or unrealistic.
- There's a desire for better alignment between roles and responsibilities.
- Some respondents feel processes could be more efficient or inclusive.

Interpretation:

Respondents want the feedback process and communication to be more streamlined and practical. There's a need for clearer expectations, better follow-through, and a balance between detail and actionability.

2. Resilience & Strategy

Theme: Emphasis on long-term planning and risk mitigation.

Examples of feedback:

- Concerns that supply chain resilience is often overlooked.
- Calls for more proactive risk identification and scenario planning.

Interpretation:

There's a push for greater strategic focus on resilience and risk management within the supply chain. Respondents want to see forward-thinking and contingency planning embedded in practices.

3. Tool Feedback (e.g., SIMSA)

Theme: Functionality and user experience of supply chain tools.

Examples of feedback:

- Suggestions for better integration or interface improvements.

Interpretation:

Some tools used in the supply chain process may be difficult to use or not well-suited to users' needs. There's a desire for improved digital solutions that are intuitive and better aligned with operational goals.

4. Standardization

Theme: Need for consistency in processes and communication.

Examples of feedback:

- Requests for standardized formats for feedback and response templates.

Interpretation:

Respondents are asking for uniformity in how feedback is collected and addressed, which could enhance clarity, fairness, and usability across teams and organizations.

5. Lack of Communication

Theme: Missing engagement or feedback loops.

Example:

- A response indicated no contact or feedback received in the past year.

Interpretation:

This points to a breakdown in communication, suggesting that some individuals or teams feel disconnected from the feedback or review process entirely.

Suggestions for Improvement

Given the survey results, there are potentially 7 broad improvements required:

1. Improve Payment Practices

Problems Identified:

- Excessively long payment terms (Net 60–150 days).
- Cash flow challenges and financial strain on suppliers.

Suggested Improvements:

- Standardize payment terms to Net 30 wherever possible, particularly for small and medium enterprises.
- Implement prompt payment policies, potentially with financial penalties for delays.
- Encourage progress billing structures to better align cash flow with project delivery milestones.
- Consider early payment incentives or supply chain financing options.

2. Enhance Project Planning & Execution

Problems Identified:

- Frequent delays due to scheduling, financing, permitting, and supply chain disruptions.
- Costly labor underutilization and unpredictability.

Suggested Improvements:

- Involve suppliers earlier in the planning process to anticipate bottlenecks and set realistic timelines.
- Use rolling forecasts and flexible start windows to reduce idle labor costs.
- Improve inter-stakeholder coordination, particularly for permitting and approvals.
- Strengthen risk mitigation plans, especially for financing delays and supply chain issues.

3. Upgrade RFP/RFQ Quality and Processes

Problems Identified:

- Incomplete or unclear scopes of work.
- Unrealistic deadlines and redundant content.
- Limited opportunities for clarification.

Suggested Improvements:

- Develop and promote a standardized RFP template with clear sections, timelines, and scope definitions.
- Allow minimum response windows (e.g., 2–3 weeks) based on complexity.
- Include structured Q&A periods or pre-bid briefings for suppliers.
- Create a scoring rubric that is disclosed within the RFP to increase transparency.
- Offer debriefs or feedback to unsuccessful bidders to support continuous improvement.

4. Streamline Communication and Engagement

Problems Identified:

- Limited pre-qualification awareness.
- Lack of post-proposal feedback.
- Disconnection between suppliers and project owners.

Suggested Improvements:

- Maintain a centralized pre-qualification list that suppliers can register for visibility into future opportunities.
- Facilitate supplier engagement sessions (e.g., industry days or technical briefings).
- Ensure two-way feedback loops after proposal submission—especially for rejections—to improve future responses.
- SIMSA could act as an intermediary by hosting quarterly forums to surface procurement pain points and successes.

5. Balance Proposal Cost with Contract Value

Problems Identified:

- Disproportionate effort required to respond to RFPs relative to the size/value of contracts.
- Repetitive documentation requirements.

Suggested Improvements:

- Scale RFP complexity according to project size and scope.
- Eliminate unnecessary redundancy by allowing reuse of pre-qualified documentation (e.g., safety certificates, company profiles).
- Simplify low-value or recurring work with master service agreements or standing offers.

6. Foster Supply Chain Resilience and Strategic Alignment

Problems Identified:

- Lack of long-term planning and resilience-building.
- Fragmented coordination across stakeholders.

Suggested Improvements:

- Adopt strategic sourcing models that consider long-term partnerships, not just lowest bid.
- Include resilience criteria in procurement evaluations (e.g., local capacity, redundancy).
- Promote scenario planning and collaboration on market shifts, regulatory changes, or global disruptions.

7. Optimize Tools and Platforms

Problems Identified:

- Submission tools are inconsistent and sometimes cumbersome.
- Lack of standardization in formats and platforms.

Suggested Improvements:

- Implement a centralized and user-friendly digital submission system.
- Standardize submission requirements across buyers and projects to reduce administrative burden.
- Provide training resources or walkthroughs for less intuitive platforms.