May 1, 2025

Executive Director's Message

As payment terms are drifting past 60-days into 90-days and sometimes more, the Prompt Payment legislation has become a priority issue. SIMSA's member survey we released today, will be a major tool in this conversation, as it reveals delayed payments cost our members – in total - millions of dollars per month (see more under Advocacy in this newsletter).

The Prompt Payment legislation sets a timeline of payment being due 28-days after a proper invoice and it contains an adjudication process with penalties/awards, etc. But, currently mining and SaskPower are excluded from the legislation.

However, and this is critical, the legislation does not define the invoicing schedule as this is defined in the contract. So, it can be negotiated – or demanded – that invoicing is only every 60 days or more (as an example) and then the payment is due 28-days after that. In short, instead of negotiating payment terms (time), suppliers will be negotiating invoicing frequency. So, the legislation does not guarantee an earlier payment, but rather payment within a defined window – a backstop.

We have already had conversations with NDP and SaskParty persons on this issue, as the legislation does not shorten payment timelines but only puts an endcap on it. We have also discussed shortening payment terms with procurement persons.

Which brings up another issue – SIMSA's role or focus.

SIMSA's function is to basically "help our members sell stuff." That's why we focus on procurement events and educational items geared towards specific business needs, rather than social events. This focus has been primarily sales within Saskatchewan, but has also included exports.

Now the somewhat unseen catch to this is, for our members to sell stuff to the big producing-companies - mining, oil, etc. – these large companies must want to shop local (stemming from business sense, ESG initiatives, etc.) and more importantly have the money to do it. And, the key point is that without having a flourishing resource business, the desire to shop local is moot.

SIMSA has a unique pair of roles in this, plus some levers it can use on other issues.

We are primarily the voice connecting members to buyers through our events and database. Our Roundtable events began in 2016 and continue to today. The Mining Forum now sees 730-mining company employees visit the tradeshow and share purchasing needs from the stage. The annual Energy Forum continues to thrive. The database has had over 120,000 searches done though it. SIMSA's office is regularly emailed and called asking for supplier information, and we direct those buyers to listed companies. This enables the producers to shop local.

Our secondary role is to provide needed business education items, health benefits to maintain labour-market competitiveness for our members, and sector news, as well as lobby Government on various issues. This strengthens our members ability to sell local – be the preferred suppliers regardless of being local or not.

Within these two roles, we also work to develop new markets both geographically (like Kazakhstan and before that Russia) and in new sectors such as nuclear.

This work never stops and has seen SIMSA grow.

SIMSA has grown to become the third largest city in the province – with a membership representing over 35,000 employees – we have influence. We currently use this influence in two key ways, and can add others.

As I started out saying, we need big producing-companies - mining, oil, etc. – to want to shop local (so we do the above) and more importantly have the money to do it. I noted that the key point is that without having a flourishing resource business, the desire to shop local is moot. Within the primary issue - having a flourishing resource business - we have incredible influence.

In the political and public world, SIMSA is the voice of "the hard-working folks of Saskatchewan," we are not "the big money-loving corporate entities" (that's the negative spin on things). This is a powerful position, as we can influence public opinion on the sectors' development and stability. And, as I mentioned early, if the producers don't make money, they can't spend it with SIMSA members.

Because of this ability to uniquely support our members via supporting the broader sectors, when I began work as SIMSA's Executive Director, one of the key employment conditions and vision of SIMSA's formative Board, was that I can continue do the <u>Prosperity Saskatchewan</u> radio commentaries (these are 60-seconds long). The commentaries provide positive news and information on the resource sector and Saskatchewan's economy. These commentaries function outside of SIMSA and are 100% paid-for by the sponsors – currently Nutrien, Cameco, and the Government of Saskatchewan. But, I still tag each one with, "I'm Eric Anderson, of SIMSA" to build awareness of the Association. Of note, SIMSA's 30-second radio advertisements which I also voice, run on the same stations, but are paid-for by SIMSA itself and focus on SIMSA.

So, the Prosperity Saskatchewan items support the mining-companies - using their money – which supports their continued and expanding local work, which enables local spending to occur.

Another way we can use our influence is on Federal and Provincial Government lobbying.

SIMSA is working with Crestview Strategies in Ottawa, to connect with Members of Parliament as a strong voice for SIMSA's members and Saskatchewan. And with the election now over and a Liberal Government in place, SIMSA is well positioned to be a strong voice for our members, sector, and province. There will be engagement with new MPs from Saskatchewan, the new Prime Minister, opportunities to engage with new Ministers in mid May (when we expect them to be sworn in) and we will continue to push the Saskatchewan message. With the Liberals picking up Desnethé – Missinippi – Churchill River it will allow us to really engage and work with them as a champion to carry SIMSA's message. Saskatchewan can no longer be a "fly over province" for the Liberals and we think this is evident since Carney spent a number of stops here during his campaign.

On the Provincial front, we have an ongoing a free-flowing dialogue on several issues, on both the Saskatchewan Party and NDP side of the floor. In fact, I will be talking with the leaders, ministers, and shadow ministers of both this week.

And as some great news, Vanessa Ethridge has begun work at SIMSA with a focus on financial administration, in the role of Administrator. SIMSA can now bring its bookkeeping and payroll in house, and with the new major funding for nuclear work from NRCAN – in addition to our ongoing work – we needed additional strength.

With her background in bookkeeping, office management and payroll she plays an integral part in the day-to-day operations of SIMSA. Vanessa comes from the heavy construction industry after many years at a private accounting firm. Additionally, Vanessa has earned a Bachelors Degree in Psychology. Vanessa is an avid golfer and has volunteered numerous hours to her condo association.

Advocacy

As mention earlier, SIMSA released it's Procurement Practices survey today <u>HERE</u>, which was featured during a SIMSA panel at the 2025 Mining Forum. The document defines the current issues, especially the costs of delayed payments as well as other processes.

The report has already been shared with procurement persons and Government.

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.

Nuclear

As mentioned previously, SIMSA has been contracted by NRCAN to conduct a study to provide valuable information to the local supply chain to make investment decisions as well as to communicate the local supply chain capabilities to the nuclear industry.

This Project is intended to accelerate the supply chain development needed to support SMR deployments in Saskatchewan and Canada and enhance Saskatchewan Indigenous supply chain involvement in SMR projects by:

- 1. identifying technical requirements and opportunities for SMRs in Saskatchewan, relating to the manufacturing, fuel cycle, construction, and operations of SMRs.
- 2. evaluating the capabilities of the existing supply chain in Saskatchewan, and identifying gaps, opportunities, and barriers
- 3. identifying gaps and challenges and providing recommendations to address supply chain participation from Saskatchewan in Canadian SMR projects.
- 4. Provide valuable insight into the nuclear sector for supply chain companies through 3 case studies.
- 5. Share project knowledge products through:
 - a. Workshops with Saskatchewan suppliers and SK Indigenous suppliers (2026, 2027)
 - b. Meetings (2025-27) and workshop(s) (2026)
 - c. Project reports covering Phase 1 study described in #1-3 and a subsequent Phase 2 report on 3 promising case studies.

SIMSA member participation is critical to the success of this project, as such, volunteers were sought (through the database under Nuclear Interest – please update that you're interested if you are not already), to:

- Be apart of the Project Advisory Committee (PAC), a committee made up of the relevant stakeholders in Saskatchewan as well as the nuclear vendors. This PAC will meet quarterly over the next 2 years.
- Be apart of the Working Groups (WGs), (4) technical working groups that will do a deeper dive on: (1) manufacturing, (2) fuel cycle, and (3) deployment/construction and (4) operations and maintenance. Each WG will meet twice before disbanding.

Please reach out if you are interested!

And, in a couple of weeks, look for some exciting news on who our new Nuclear Specialist will be!

Sector News

The 2024 Saskatchewan Mining Supply Chain Forum (MSCF) was "a whopper," so the even-bigger 2025 event was definitely a "double whopper" (and maybe even with bacon and cheese).

With a record 2,599 registrants including 730 from Saskatchewan mining companies; plus, a 380-booth tradeshow that sold-out in 2-weeks; plus, a sponsorship program that was awarded by lottery – the double whopper title was well earned.

The full event summary with photos is **HERE**

New Members

New member to SIMSA from the month of April were:

• Foundation Communications

Upcoming Events

Register for Upcoming Events HERE

- SIMSA AGM May 14, 2025
 - Our 2025 AGM will be on May 14, 2025 at Prairieland Park in Saskatoon. Keynote speaker will be David Doerksen, Chief Marketing Officer at Cameco.
- Lunch and Learn: Unlocking Disability Case Management: Trends, Strategies, and Impact on Employees Wellbeing May 21, 2025
 - At this virtual event, learn from the Equitable the underwriter on SIMSA's member benefits plan, Protecture on comprehensive disability management.
- The Art of Data: Explaining Global Megatrends with Data Storytelling June 17, 2025
 An event with the global leaders in data storytelling (info-graphics) Visual Capitalists. Jeff
 Desjardins Editor-in-Chief of Visual Capitalist will answer, "How does Visual Capitalist make such compelling visualizations?"
- Saskatchewan Supplier Energy Forum (SSEF) October 8, 2025
 Save the date! The 11th Annual Saskatchewan Suppliers Energy Forum (SSEF) will be on October 8, 2025 at Delta Hotel in downtown Regina.
- Saskatchewan Mining Supply Chain Forum (MSCF) April 15 & 16, 2026
 Save the Date! Co-hosted by SIMSA, the Saskatchewan Mining Association and the
 Saskatchewan Ministry of Trade & Export Development, the 18th Annual Saskatchewan Mining
 Supply Chain Forum will take place on April 15 and 16, 2026 at Prairieland Park in Saskatoon.

SIMSA Contacts

Eric Anderson

EXECUTIVE DIRECTOR

eric.anderson@simsa.ca

Keri Beebe

MANAGER OF OPERATIONS

keri.beebe@simsa.ca

James Bulmer

MANAGER OF MEMBER SERVICES

james.bulmer@simsa.ca

Vanessa Ethridge

ADMINISTRATOR

vanessa.ethridge@simsa.ca









www.simsa.ca