

NEW BUYING RULES TO HELP LOCAL COMPANIES

By Reagan Reese Seidler, Director, Strategy & Engagement, SaskBuilds Corporation



In the past, government purchases often thought only of lowest price. It was a standard meant to ensure fairness. Bidders knew what the term meant. Public servants could defend why one team won over another. In theory, it saved money. Its intent was good. But industry knew of its shortcomings.

In the name of lowest price, some won contracts by reducing quality, compromising safety, missing deadlines, or providing poor customer service. Even after a bad experience, purchasers could do little to stop additional contracts being won in the same way.

Government responded by writing more complex requests. They prescribed every what, when, where, and how. It extinguished creativity. Rather than letting businesses offer solutions based on their expertise and experience, government chose the technically compliant answer to every need.

The lowest price mantra wasn't good for taxpayers. It didn't improve public services. It didn't foster innovation. Most of all, it wasn't particularly good for Saskatchewan industry.

The Priority Saskatchewan agenda is set to change that.

In 2014, Premier Wall created Priority Saskatchewan to improve how government awards contracts. After long talks with groups like the Saskatchewan Construction Association, his government announced an action plan that will make local companies, taxpayers, and public services better off.

"We want to do what we can to help Saskatchewan companies be successful," says Gordon Wyant, Minister for SaskBuilds. "So when groups like the SCA tell us there are ways to help, we listen very closely."

Big changes are already taking place. Crowns like SaskPower, which are investing nearly \$2 billion dollars a year on infrastructure, are now issuing competitions within the New West Partnership.

"Free trade is key to our export economy," comments Wyant. "So while respecting our agreements, we're going to use all possible room within them to benefit Saskatchewan companies."

Steps are also being taken to reduce the cost of bidding on contracts. When Priority Saskatchewan began, government was using over 100 different procurement templates. That complexity made it difficult for

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smaller firms to get involved. Now there are just four templates.

At the core of the action plan is a shift from lowest price to best value. Upfront cost is now only one factor in the mix. Experience, safety records, material quality, long-term operation and repair costs, and the potential for innovation are just some of the measures that can be considered.

“In everyday life, we rarely trust the cheapest house on the market, or the cheapest lawyer, or the cheapest winter coat,” notes Wyant.

Sometimes, the most important aspect of value is local knowledge.

“If I’m building a house, I want a company familiar with Regina gumbo. I want to be equally sure companies working for taxpayers

can demonstrate their knowledge of Saskatchewan’s climate, laws, and the local market.”

More than 200 public servants and private sector bidders have now been through a Priority Saskatchewan training course. A new procurement guide is also up on the SaskBuilds website so that vendors can see what is being taught. So while changing course takes time with a ship as big as government, improvements are more visible every day.

The Priority Saskatchewan team continues to consult on ways to further improve the system. More changes are likely once the province is familiar with lessons of the first action plan. If you’d like to share your thoughts, feel free to be in touch with the SCA at any time.

“The SCA strongly supports the

work of Priority Saskatchewan.

The Priority Sask team is to be commended for their very genuine desire to enable local companies to compete for the work we know they are capable of doing,” says John Lax, Manager with the SCA.

“Many of the changes in the action plan were the result of SCA suggestions. We will continue to be closely involved moving forward. If you have thoughts or ideas to share, please reach out to us. Together, the SCA and its 1,400 members will continue to advocate for a prosperous and successful construction industry.”

For more information, check out the Priority Saskatchewan website at SaskBuilds.ca.



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