

**Memo to DM Ryan Klos, March 12, 2024**  
**Re – MTI Highways Infrastructure Program 2024**

MHCA and the heavy construction industry are committed to working collaboratively with MTI for successful rollout of the highways capital program, which is essential to provincial economic growth and the public's best interest.

Among the critical elements putting the above at real risk in 2024 are:

**1. Tender Ad Schedule**

- early design engineering of highways and water-related infrastructure projects is key to timely release and updated versions of robust tender ad schedules and early tendering/start/completion of highways and water-related infrastructure projects.

**2024 Tender Ad Schedule**

- Industry alarmed at the "thin" tender ad schedules released to date (November/Winter & March/Spring)
  - o Our review and rough analysis of the Spring Edition 2024 gives no relief to our concerns, arising from the November/Winter 2023/4 edition. Specifically:
    - 14 Highways construction tenders; only six of which are new
      - 8 projects (were on Winter '23 schedule) have had ad dates pushed back
    - three culvert tenders; two are new
    - two grading projects
    - seven structures; 1 new
      - 3 projects (were on Winter '23 schedule) have had ad dates pushed back
  - o Also of concern:
    - two highway construction projects on November schedule appear "gone"
      - TLO – Hwy 10; PR 271-20 (Mountain)
      - Bit rehab – Hwy 10; PR 367-271 (Ethelbert-Mountain)
    - four structure projects on November schedule appear "gone"
      - @ Lawford River, (Oxford House etc); Minto-Odanah
      - Hwy 1, Brokenhead; Reynolds
      - Minor structure rehab; highway 435, Brokenhead; Brokenhead
      - Minor structure rehab; Highway 242, Assiniboine River; Norfolk-Treherne

The 'thin' ad schedule may be a result of 2024 budget approval process.

If not, it is inconsistent with goal to tender "80% of program by February/March" and with the broader commitment toward budget set = budget tendered/awarded. The alarm is real as industry should have sufficient information of program to have their 2024 business plans well underway.

Further, late advertising imperils industry's ability to complete projects on time. In particular, projects requiring early mobilization of equipment and materials are now at risk of significant delays as the spring thaw (spring road restriction) approaches.

The uncertainty now injected into business plans imperils our industry's ability to offer predictable employment and income to thousands of Manitobans, most of whom are experienced workers the industry has invested heavily in (recruitment, training and advancement).

**Improving quality of information on tender ad schedules:**

- o City of Winnipeg tender advertisement schedules include details re project location, est. price
- o Tender ad schedule could be augmented with updates that assist in resolving uncertainty now affecting the industry's ability to plan resources according to program rollout:

- “live” spread sheet to track tender ad schedule should include projects tendered/awarded; value of projects awarded; projects delayed/removed; reason for delay or removal
  - allows for more informed industry/MTI discussion during annual program review meeting
- 2. Roll-over**
  - MHCA seeks confirmation that roll-over of unexpended MTI program funds will continue as a matter of government policy and practice.
    - o Feb. 14 MTI/MHCA/ACEC meeting, suggestion was the roll-over policy was under review
  - This is critical to both the department and industry in providing stability to program management, industry ability to plan for growth and providing sustained income to the 15,000 Manitobans whose incomes, directly and indirectly, depend upon our industry.
- 3. Bid assessment**
  - Clarification of comments at the Feb. 14 meeting that MTI is considering new model for bid assessment
    - o moves away from award to lowest qualifying bid
    - o introduces project element valuation
      - what does that mean
      - where/when is it contemplated to be used
      - Feb. 14 meeting noted MTI commitment to meeting with MHCA prior to introduction
- 4. Uncertainty re labour relations environment 2024 and beyond**
  - Bill 7, Public Sector Construction Projects (Tendering) Repeal Act
    - o Premier Kinew has been quoted in media saying the default position of government would be to use Project Labour Agreements in major infrastructure projects. (What is meant by ‘major’?)
      - injects uncertainty into the labour relations environment relating to highway and water-related tendering/contracts 2024
      - PLAs might be of benefit only in very restricted environments (remote, northern)
      - potential to introduce conflict relating to contracts
        - past projects with PLAs led to protracted dispute/negotiation between industry and Province of Manitoba re Floodway widening
        - vast majority of industry is open shop; opposed to unionization or forced payment of dues to central authority, to qualify for bidding on tenders
      - industry wages and benefits meet or exceed many collective agreements
- 5. Prompt Payment**
  - Looking for official notice MTI committed to following BLA Amendment Act provisions for Prompt Payment

As always, MHCA will continue to work with MTI toward improving process and practice, to advance the goal of seeing the full program awarded and projects start/finish as planned.