

March 26, 2020

The Honourable Jeremy Harrison
Minister of Trade and Export Development
Room 346, Legislative Building
2405 Legislative Drive, Regina, SK S4S 0B3

Dear Minister Harrison:

The Association of Consulting Engineering Companies – Saskatchewan (ACEC-SK), as a member of the Saskatchewan Business Council (SBC), thanks you for the opportunity to provide industry input into measures the Saskatchewan government can take to support provincial economic recovery. We contributed to SBC's joint recommendations, but we also have several industry-specific recommendations that we feel also warrant consideration.

Engineering-specific recommendations include:

1. Encourage government to use infrastructure stimulus as a means of economy recovery through:
 - a. Honouring capital investments announced in Budget Estimates on March 18; this also means avoiding capital projects being cancelled or delayed. This is an industry that revolves around completing work (i.e. chargeability and utilization). If all projects are delayed, the onus will be on private sector companies to “carry the dead weight”.
 - b. Further, the Province needs to review its provincial Capital Plan, identify which prioritized projects *over and above* those identified in the 2020-21 budget estimates can feasibly get underway, and engage the private sector to step in now. It is important to prioritize the design portion now because it can take anywhere between 6 months and 2 years for designs to be completed. *In times of economic downturn in the past, this was a commonly accepted practice.* Prioritizing design will allow the Province to be ready when we move into the economic recovery stage and can start tendering/bidding construction services for these new initiatives. The design work also needs to begin quickly before engineering firms start laying off those with specialized skill sets and experience.
2. Allow construction sites to remain open given the construction industry already has safety requirements inherent in their culture. If for whatever reason, however, construction sites need to be shut down during this health crisis, as noted above it is really important to focus on getting the design side of capital projects moving as quickly as possible. Look at implementing a significant number of smaller projects as this will benefit more local firms and can be implemented quickly.
3. Streamline the procurement of services to deliver capital projects through aggressive red tape reduction related to procurement. Continuing to provide opportunities for new start-ups also must be considered or they will perish under these new economic circumstances.
4. Rely heavily on the New West Partnership Trade Agreement clause allowing sole source procurement in emergency circumstances, which should be based on an understanding of companies' past performance and qualifications. This will keep as much provincial work in the province as possible. It will also reduce interprovincial travel in line with reducing health risks.
5. Compel municipalities to honour their provincial funding arrangements that commit them to already contracted and in-flight capital projects

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6. Don't limit offering commissions to only on one engineering sector (i.e. buildings, environmental, water resources, heavy industry/manufacturing, natural resources, utilities, transportation) as this could potentially overwhelm capacity later.
7. Maintain government environmental and other approvals. As provincial employees self-isolate, there is a need to enhance their ability to work remotely in order to keep the processes working.
8. Consider the potential expansion on the percentage of gas tax given to municipalities from the province, targeted at more immediate infrastructure use in the 2020-2021 fiscal year
9. Consider the removal of the 6 percent PST on construction projects.
10. Use authority of Pipeline committee to build more pipelines to remove rail line congestion.
11. Establishment of a task force to immediately review larger infrastructure funding opportunities (e.g. canal/utility corridor)

One of the strengths of the SBC is that our organizations come together with varied expertise so that we can support one another in our common goal to advance Saskatchewan's private sector. ACEC-SK will defer to the expertise of such organizations as the Chambers of Commerce and the Canadian Federation of Independent Business to make specific recommendations about which levers to pull to bolster the cash-flows and solvency of small businesses.

However, following is a list of suggestions that were brought forward by our members that we hope will be useful, and we know some have already been implemented. As well, some are actually the federal government's responsibility, but we know you are in very regular contact with them at the moment, so we opted to include these as well:

- Continue to refine communications about newly introduced supports to be as clear as possible
- Financial support that can relieve the financial burden for such things as the cost of severance payments that employers will experience if staff need to be laid off. Severance payments will negate much of the benefit to employers of laying off staff
- Enhance job sharing provisions under EI to avoid highly qualified staff layoffs
- Relaxing the legal requirements of notice and help offset payment in lieu of notice
- Allow companies to top up EI payments more easily
- Supplement the newly expanded federal EI benefits program where gaps are identified
- Tax deferrals (personal income tax, corporate income tax, municipal tax, carbon tax, construction, etc.)
- Low interest loans for small and medium enterprises
- Pressure the Big Banks to forgive interest on loans for the next 3 or 4 months
- Ensure that "partnership" structures are included in the wage subsidy
- Maintain SaskTel not charging for data overages
- Allowing small/medium businesses to protect their investments because some have their equity is held in mutual funds. If they are forced to withdraw these funds in the current depressed market, their long-term viability is significantly impacted. This is another reason for no/low interest operating loans be offered to assist in the medium term. This is critical.
- Supporting, promoting & incentivizing private corporation capital investment must be supported by the governments.
- Holidays or deferrals for such things as WCB premiums
- Commercial rent relief

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Again, ACEC-SK relies on its Saskatchewan Business Council partners who are the experts in knowing what small businesses need right now in order to survive. However, we would like to share one final observation. Cash flows are also impacted by investments companies have made to scale up, so while cash may exist in companies at this very moment, the lost opportunity for revenue is also occurring today which means that this is not just an immediate cash-crunch. There will be a next wave of cash deficiency in the coming months, so cash-flows are not just an **immediate** problem. There will be ongoing challenges, so consideration for the medium-term (months away) solvency of small and medium-term enterprises is just as critical.

We appreciate the opportunity to share our recommendations for economic recovery.

Sincerely,

A handwritten signature in black ink, appearing to read 'Beverly MacLeod', written in a cursive style.

Beverly MacLeod
Executive Director
Association of Consulting Engineering Companies – Saskatchewan (ACEC-SK)

Cc: Kent Campbell, Deputy Minister of Trade and Export and Development