



Alberta Roadbuilders &
Heavy Construction Association

May 4, 2020

Honourable Jason Kenney
Premier, President of the Executive Council, Minister of Intergovernmental Relations
Executive Branch
307 Legislature Building
10800 - 97 Avenue
Edmonton, AB, T5K 2B6

Sent via email to: premier@gov.ab.ca

URGENT: Saskatchewan Government Protectionist Actions in Open Tenders

Dear Premier:

I write to you in your capacity as Minister of Intergovernmental Relations on an urgent matter concerning actions taken by the Government of Saskatchewan last week to dramatically tilt the playing field in favor of Saskatchewan contractors bidding on open public tenders.

This past week, under the guise of “Community Benefits” Saskatchewan began to issue amendments to tendered highway projects that added residency and employment conditions protecting Saskatchewan contractors from competition. Penalties for not meeting specified thresholds for employment of permanent residents of Saskatchewan are between 2 to 5 per cent of the entire contract value. This effectively increases the risk to a bidder from Alberta (or Manitoba for that matter) so high as to discourage bids from other provinces. This is in direct and blatant contradiction of the New West Partnership Trade Agreement.

ARHCA Member companies that compete for work in other provinces benefit those province’s taxpayers by providing access to the best possible prices that only competition can guarantee. They also pay PST on equipment and materials to the Government of Saskatchewan and support Saskatchewan hotels and other businesses during construction season.



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During a conference call with the Edmonton Chamber of Commerce on Wednesday, Minister Madu said in his response to a question regarding preferential hiring of local contractors in the expected municipal stimulus funding package, that Provinces are in discussions concerning temporarily suspending some obligations under trade agreements.

The anticipation of an interprovincial agreement to suspend trade agreements for Covid-19 stimulus programs could explain the sudden and bold actions taken by Saskatchewan last week. Saskatchewan's unilateral and retroactive actions have created an immediate imbalance in the marketplace and have undermined fair competition on Alberta projects as Saskatchewan companies now know that they can undercut Alberta projects and pad margins with a protected home market in Saskatchewan.

Mr. Premier, the ARHCA has always championed fair, open and transparent public tendering on projects using tax dollars. We believe in free trade and open competition and that protectionism is bad policy. We must, however, now demand Alberta impose immediate and reciprocal actions in all Government of Alberta tenders effective today to restore balance and level the playing field for Alberta companies competing for work in Alberta.

Thank you for your leadership in these trying times and we appreciate all that you are doing to protect the health of Albertans. We also now need your assistance to help protect Alberta jobs and businesses.

Thank you,

Ron Glen, CEO

cc.

Hon. Ric Mclver, Minister of Transportation
Hon. Kaycee Madu, Minister of Municipal Affairs
Hon. Prasad Panda, Minister of Infrastructure
Coleen Volk, Deputy Minister Intergovernmental Relations
Rae-Ann Lajeunesse, Deputy Minister of Transportation
Joe Kabarchuk, Chair, ARHCA
Board of Directors, ARHCA