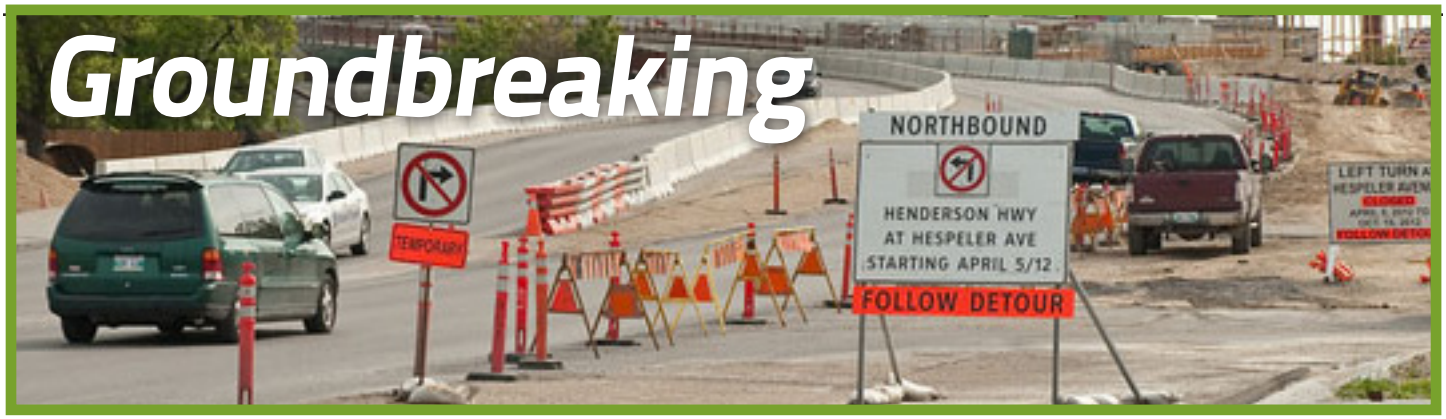
MHCA MANITOBA HEAVY CONSTRUCTION ASSOCIATION

WORKFORCE MHCA WORKSAFELY MHCA

THE Heavy News Weekly

WORKSAFELY MHCA May 31, 2012 WORKFORCE MHCA



Province imposes its will

Editorial - The Winnipeg Free Press (May 28, 2012)

The City of Winnipeg is the only public body in Manitoba to finance infrastructure projects -- four in total -- through private-public partnerships, and it was the first municipality in Canada to secure funding from the P3 Canada fund, which was created to improve the delivery of public infrastructure and "provide better value, timeliness and accountability."

Somehow, however, the Manitoba government has decided that it, and not the city, is the expert on these matters. The NDP intends to table legislation that will regulate the way the city manages P3s.

The city believes the government's motives are less than pure, and that the regulations will complicate the process, slow it down, and increase the cost.

Finance Minister Stan Struthers says the province's only goal is to increase transparency and accountability, while enhancing its own ability to secure federal funding for private-public partnerships.

In particular, Mr. Struthers said the proposed legislation has nothing to do with the city's controversial arrangements with Veolia, an international engineering firm hired to help manage capital and operating budgets for sewage waste disposal.

The Veolia deal is not a traditional P3, but the magnitude of the 30-year contract and the fact it nearly included a deal for the water system, too, sparked intense interest from community groups and others who pay attention to these issues.

The Winnipeg Citizens Coalition, the Canadian Union of Public Employees, Winnipeg Water Watch and the Council of Canadians, among others, complained there wasn't enough public information about the Veolia deal. These groups are also part of the NDP's traditional base, but the province denies any connection between the legislation and their complaints about secrecy.

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Groundbreaking MHCA

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The Veolia deal was fraught with confusion and it was not well-managed. There should have been a better process and more information for public scrutiny, but it was not a P3 and nothing in the new legislation, if it had been in effect at the time, would have applied, unless, of course, the province has other plans that it has not disclosed.

There are actually legitimate reasons why the private sector insists on confidentiality when bidding on public contracts. It wants to protect trade secrets, unique financing arrangements, labour-management issues and other factors that are considered proprietary.

The Government of Alberta policy on P3s has a long list of facts it does not disclose, including its own business case for a particular project because it might jeopardize the government's competitive advantage. It also does not disclose commercially confidential information in the final agreement with the private sector.

Incidentally, Alberta does not require municipalities to follow its rules, unless they want provincial money. Major cities in Alberta have their own policies on P3s.

The City of Winnipeg's problem is that it does not have a written, publicly available policy on public-private partnerships.

It claims it abides by all the principles sought by the province, including the use of third parties to ensure the business case is sound and that the bidding process is fair.

A public policy allows concerned citizens to understand the process and why some facts may be in the open, while others are confidential. It explains how the public can have input, and where it has no business.

Whatever the province's motive, it's clear the legislation is intended mainly for the City of Winnipeg, since some aspects of the law will apply only for contracts over $20 million.

The legislation will not apply to projects done in a traditional way, but merely to those that are private-public partnerships.

Once again, the government is demonstrating a paternalistic attitude to the city, where, coincidentally no doubt, its base resides.

Call for PST hike grows

Larry Kusch - The Winnipeg Free Press (May 30, 2012)

Organized labour is aligning itself with the province's most powerful corporate movers and shakers to urge a reluctant provincial government to hike the PST in order to fix Manitoba's crumbling roads and bridges.

The Manitoba Federation of Labour is sponsoring a resolution at this weekend's NDP convention in Winnipeg calling on the Selinger government to increase the provincial sales tax by a percentage point and dedicate the proceeds to renew or replace municipal infrastructure.

"There is a crushing infrastructure deficit in our communities across the province that needs to be addressed," MFL president Kevin Rebeck said Tuesday.

"It is something we think is past due for the province to engage with municipalities and figure out how we can work together to address the infrastructure deficit."

The Business Council of Manitoba, which consists of chief executive officers of the province's leading companies, has been asking for the same thing for more than a year.

A one-point hike would raise an estimated $262 million a year. Manitoba is said to have an $11-billion municipal infrastructure deficit.

Jim Carr, the business council's president and CEO, welcomed the MFL's initiative.

"I'm very pleased that the Manitoba Federation of Labour has concluded that we don't have enough revenue to tackle the growing infrastructure deficit," he said Tuesday. "I welcome the resolution and I hope it passes."

The province has so far been cool to the idea of a tax hike dedicated to infrastructure renewal. The business council has sought to develop a broad consensus on the issue to pressure the province to change its mind. Carr said the MFL's support -- and potentially that of the provincial NDP -- is significant.

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"When you have the business leaders of the province and the Manitoba Federation of Labour agreeing on a very important piece of public policy, you would hope that would capture some attention," he said.

Manitoba municipalities -- including the City of Winnipeg -- have been begging for a dedicated funding source that would allow them to tackle their infrastructure woes. They fear the problem will get far worse if significant steps aren't taken immediately.

The Association of Manitoba Municipalities has been calling on the province to dedicate one percentage point of the existing PST -- as opposed to a tax hike -- to fund increased infrastructure spending.

Doug Dobrowolski, the AMM's president, said Tuesday he was encouraged another voice was now pressing the government on the important issue. "If they're going to support an additional (PST percentage) point, then why not?" he said of the NDP resolution.

Dobrowolski said investing in infrastructure projects "builds the economy." And the two senior levels of government quickly recoup their investment when they fund the building or repair of roads, bridges and the like. "We need to put people to work and infrastructure is the best way to do that," he said.

According to Manitoba law, the government would have to hold a provincial referendum before increasing a major tax, such as the PST. Or it could pass a bill to repeal the legislative requirement to hold such a vote. Neither move appeals to the NDP government, which is already feeling the heat in the legislature for increasing an assortment of levies in its spring budget.

In an interview late Tuesday from Edmonton, where he was attending the western premiers' conference, Premier Greg Selinger poured cold water on the idea of raising the PST to fix municipal roads.

"We always take resolutions at the convention seriously, but as you know we've committed to a new infrastructure agreement with the federal government. We're doing our consultations on that now and so that's the direction we've decided to go," he said.

Selinger said Manitoba has committed to giving municipalities the equivalent of one percentage point of the PST for infrastructure purposes. "There's only one province that comes close to doing that in Canada and that's Saskatchewan," he said.

The MFL resolution to be debated at this weekend's NDP convention specifies funds raised by a PST hike would be added to -- and not replace -- any money municipalities already receive for infrastructure repairs.

New portable scales for MIT's Motor Carrier Programs

The device is the **Haenni WL 104** electronic scale. It was added to the Portable Scales Order (MB. Regulation 6/88) as an approved weighing device for enforcement purposes. The Motor Carrier Division has been using the Haenni WL 101 mechanical scale for over a decade, which requires the Motor Carrier Enforcement Officer (MCEO) physically place the scale ahead of the axle units numerous times when weighing a vehicle, requiring the vehicle be driven onto the scales several times for exact placement.

Haenni WL 104 Portable Scale

The new WL 104 scales are joined together via a cable and are capable of dynamic weighing at low speeds. The coupled scales are linked to a computer in the MCEO's patrol vehicle where the weights are recorded. The other advantage of the new scales is MCEOs will be able to efficiently process more vehicles at sites away from the department's permanent fixed facilities. The positive impact to industry is that this will reduce the amount of time spent by carriers selected for weighing as their vehicle move continuously across the scales.

Have a story for us? We'd love to hear about it!

The MHCA is only successful thanks to our strong membership roster that continues to grow, and now we want to hear from you!

We want to hear about a success story and anything you want to share with us and the rest of the MHCA membership!

We'd like to hear from our members on things such as:

- A New Exciting Construction Project your company is involved with
- A Recent Successful Completion of a Construction Project
- A success story or acheivement for your company or staff member(s)

Feel free to submit your idea or story to **media@mhca.mb.ca**

We will contact you for more information or details on your story, and then have it ready for a future issue of the Heavy News Weekly!

Warning! More construction and construction employment ahead!

JOHN CLINKARD
consulting economist, CanaData

Over the past several months, considerable attention has been given to the weak pattern of job growth in Canada as reflected both by the establishment and the household surveys of employment.

Indeed, the most recent (February) establishment survey and the (April) household survey both reported that employment in Canada was up by only 1.2% over the past 12 months. This subdued pattern of overall job growth contrasted sharply with the strong job growth in the construction sector.

Although employment in the construction sector contracted more sharply than most other sectors late in 2008 and early in 2009, it has recovered strongly over the past two years.

The relative strength of this recovery is highlighted in a recent issue of The Daily published by Statistics Canada, which reported that employment in the construction sector, driven by strong growth of business investment, was up by 3.3% year over year in February, more than twice the rate of job growth in the overall economy.

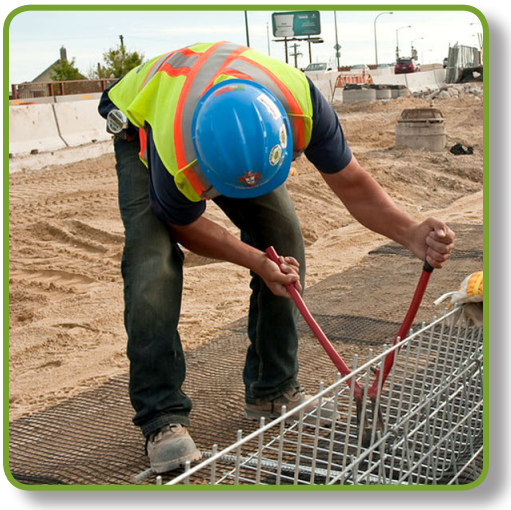
Indeed, although the construction sector, the country's seventh largest, employs just under 6.0% of all workers, it generated approximately 15% or almost one out of every six of the 182,286 payroll jobs added in Canada over the past year.

Across the country, resource-rich provinces accounted for much of the strength in construction employment over the past 12 months. Although growth (13.6%) of employment in Newfoundland and Labrador's construction sector over the past 12 months has outpaced the rest of the country, the vast majority (58%) of new jobs in the sector were created in Alberta, where employment increased by 16,276 (10.7% year over year).

In Ontario, employment in the construction sector increased by 1.8% over the past 12 months, largely on account of a 7% rise in employees working in non-residential building and an accompanying, much smaller (1.7%) increase in residential construction employment.

Reflecting the relative strength of employment growth in the construction sector over the past 12 months, average weekly earnings in the sector rose by 5.4% year over year in February, three times the all-sector national average of 1.8% year over year.

Although the increase in weekly earnings in Alberta (4.9% y/y) was slightly below the country as a whole, the



$1,355 level in the construction sector in the Wild Rose province in April was 21% above the national average. Despite the fact that they were up by 18.9% year over year in April, weekly earnings in Prince Edward Island's construction sector ($824.50) were still 26% below the national average. Weekly earnings also exhibited above average gains in Saskatchewan (+14.4%), Newfoundland and Labrador (+9.7%) and Ontario (+5.9%).

Breaking out the major industries within the construction sector, employment in non-residential building construction was up by 6.5% year over year in February, accounting for 18% of the overall gain in the sector as a whole. At the same time, utility system construction rose by 11% year over year while payroll employment in residential construction increased by 3.6%. According to Statistics Canada, the largest share of construction employees (26.8%) was working in building equipment contracting, which includes mechanical systems, installation and maintenance.

Looking forward, the healthy gain in private and public investment intentions reported by Statistics Canada in February, the increase in investment plans reported by the most recent (Q1/2012) Bank of Canada Business Outlook Survey, recent gains in capacity utilization and stronger growth of corporate profits suggest that employment in construction will continue to grow more quickly than the rest of the economy into 2013.

John Clinkard has over 30 years' experience as an economist in international, national and regional research and analysis with leading financial institutions and media outlets in Canada.

MHCA
MANITOBA HEAVY CONSTRUCTION ASSOCIATION

SPRING MIXER

Wednesday June 13, 2012 | Assiniboia Downs
Reception – 5:30pm ▪ Dinner – 6:00pm ▪ Live Racing – 7:00pm

SEATING IS LIMITED. TO ORDER TICKETS, FAX FORM BACK TO 943-2279. **TICKETS: $75.00 + GST.

Company: _____

Number of tickets (tables of 8): _____Contact person:_____

PAYMENT OPTIONS:

Invoice: _____ Visa/MC/AMX #: _____ Exp: _____

Signature: _____

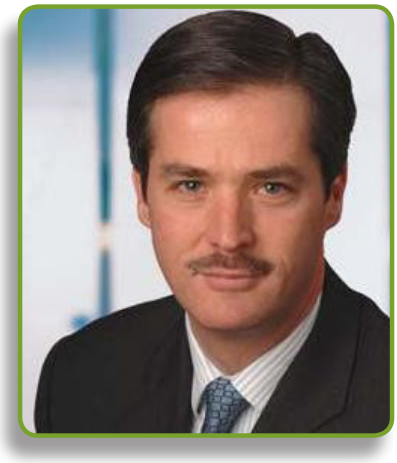
For more information please contact Christine at the MHCA office by phone: 947-1379, fax: 943-2279 or by email at christine@mhca.mb.ca

As per MHCA Board Policy, only registrations cancelled 72 hours prior to the commencement of this event will be refunded.

Groundbreaking MHCA

What's on your mind?

Peter G. Hall, EDC Vice-President and Chief Economist



Peter G. Hall

May is into its final hours. That means at least two things: preparations are being made everywhere for the Canadian summer, and EDC is wrapping up our Let's Talk Exports tour across the country. This year's tour took me to 18 cities from coast to coast, where I was again able to meet many Commentary readers face to face. Not only was I able to share our latest thoughts on the economy, but I had the privilege of listening to your valuable insights. What did I hear?

Two key messages came across loud and clear, and were mentioned – for the most part with no prompting – in every location I visited. First, businesses in every region and industry talked about the strong pace of activity. Orders are up, but there was almost a shyness about it. I was able to offer reasons why, and to add why we believe it will be sustained. The second message was more sobering. Audiences were concerned about labour shortages, particularly for skilled workers. Some consider this a good problem to have, as it reinforces the growth message. Not our audiences – they were more circumspect, especially considering that true global recovery has yet to occur.

Once again, question-and-answer sessions at the end of presentations were lively. The most-often asked questions were about the US economy, no surprise given the revival of US growth. Questions varied from the election to the rise of the housing market, ongoing protectionism and recent wobbles in the labour market. We remain keenly interested in our number one market!

Next on the list was concern about inflation and the future path of interest rates. Over the period of the global slowdown, it seemed well understood that rates would be low for a long period of time. If anything, what our delegates seemed to be inferring is that the growth they are seeing is likely to stay – in which case, rates are not likely in their view to stay this low for too much longer.

Another popular question was Canadian labour markets. More than once, our audiences lamented long hiring processes for skilled workers, a new development that businesses are finding difficult to cope with. Many are hoping that immigration strategies and training through educational institutions and other programs will provide the needed workers – but company-level strategies seemed to revolve around increasing pay packages. Perhaps another reason for inflation concerns.

China was on the minds of many. Slowdown across the Pacific has many of our session attendees worried, and questions were accompanied by requests for industry-specific impacts. Delegates seemed comforted by our view that the slowdown simultaneously hitting the large emerging markets is temporary, and will be aided by the economic recovery coming up in 2013.

I was quizzed repeatedly about our view that commodity prices will actually ease back in the recovery period – an atypical movement, but based on our perception of the effects of 'quantitative tightening'. This then led to questions about the Canadian dollar, which we feel will follow the same direction.

The bottom line? Many other questions were asked – when it comes to the world economy, there is a lot to ask, and a lot to say. But as the world continues to grapple with significant risks, it is also comforting to know that there is solid growth, and that our eyes are collectively looking to recovery.

WORKSAFELY MHCA

Manitoba Government Tendering Policy
COR™ / SECOR Certification for Bidders & Subcontractors
Condition of Contract

Manitoba Government Tendering Policy [including Manitoba Infrastructure & Transportation (MIT)] requires COR™ or SECOR certification for bidders and subcontractors as a Condition of Contract.

Although phased in, by January 1, 2014, regardless of project value, all bidders and subcontractors (see defined below) will require a valid and current COR™ or SECOR Certification.

For Subcontractors

A *'subcontractor'* is defined as a business entity with one or more employees engaged to perform work on a construction, maintenance or renovation project for the successful bidder.

For the purposes of completing the Bidder's Certification Form, "*subcontractor*" excludes:

- Suppliers delivering products but not directly participating in construction activities on the project site (i.e. supply only)
- Service providers not directly participating in construction activities on the project site
- Subcontractors who are an owner operator (without employees)

A bidder or subcontractor will be required to achieve WORKSAFELY™ COR™ or SECOR Certification to comply with the following implementation schedule for the Manitoba Government tendering policy:

- **As of January 1, 2012** on project values of $150,000 and up (for MIT projects this applies to projects at $100,000 and up), bidders must be COR™ or SECOR Certified and subcontractors must be COR™ or SECOR Certified or enrolled in the program.

- **As of January 1, 2013** on project values of $100,000 and up, bidders must be COR™ or SECOR Certified and subcontractors must be COR™ or SECOR Certified or enrolled in the program.

- **As of January 1, 2014** regardless of project value, all bidders and subcontractors must have a valid and current COR™ or SECOR Certification.

  The bidder must ensure its subcontractor(s) is COR™ or SECOR Certified or enrolled in the program as required by the above implementation schedule. The bidder must provide to the Government of Manitoba, a Bidder's Certification Form executed by the subcontractor before the subcontractor begins work on the Project.

***NOTE*: An '*owner operator*' (without employees), when bidding on work, requires COR™ or SECOR Certification as per the above tendering policy.**

FOR MORE INFORMATION
To register for COR™ or SECOR Certification, contact Sarah Higgins at the Manitoba Heavy Construction Association (MHCA) WORKSAFELY™ Program at 204-947-1379.

MANITOBA HEAVY CONSTRUCTION ASSOCIATION (MHCA) WORKSAFELY™ Program
Unit 3 – 1680 Ellice Avenue, Winnipeg, MB, R3H 0Z2 www.mhca.mb.ca

Updated May 10, 2012

MHCA Certificate of Recognition COR WORKSAFELY MHCA Certified Safety Program Construction Safety Excellence™

'WORKSAFELY™ Certification' for Owner Operator

An '***Owner Operator'*** is defined as a business operation without any employees.

Under Manitoba Government Tendering Policy, Owner Operators who perform services as subcontractors are excluded from the COR™/SECOR Certification, Condition of Contract requirements.

However an Owner Operator (without employees) bidding work requires COR™ or SECOR Certification to comply with the Manitoba Government Tendering Policy.

WORKSAFELY™ Certification - What is it?
If an Owner Operator is not bidding work, the MHCA WORKSAFELY™ Program can provide training to achieve a voluntary WORKSAFELY™ Certification.

WORKSAFELY™ Certification requires 16 hours of safety training consisting of:

- Workplace Safety & Health Act & Regulations
- WHMIS
- Fatigue Management
- Traffic Control & Flag Person
- Personal Protective Clothing
- Vehicle Inspection and Load Securement
- Contractor Orientation

Vehicle decals

Hardhat decals

Its value is twofold:

- It provides COR™/SECOR certified companies documentation of the Owner Operator's training and understanding of the legal responsibilities under the Manitoba Workplace Safety & Health Act and Regulations including those areas covered by the Prime Contractor Orientation; and
- The WORKSAFELY™ Certification training will be credited towards COR™ or SECOR Certification.

For the above reasons, COR™/SECOR Certified contractors bidding work strongly encourage Owner Operators to achieve 'WORKSAFELY™ Certification' delivered by the MHCA WORKSAFELY™ Program.

FOR MORE INFORMATION
To register for WORKSAFELY™ Certification for Owner Operator, contact Sarah Higgins at the Manitoba Heavy Construction Association (MHCA) WORKSAFELY™ Program at 204-947-1379.

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