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Boosting benefits of pits and quarries in municipalities

The MHCA has long advanced the notion of collapsing the Aggregate Mines License Fee and Aggregate Transportation Fee into a single Community Enhancement Levy, calculated on aggregate tonnage extraction. The proposed CEL is designed to provide municipalities that host quarries with higher, more predictable revenues they can use for local infrastructure priorities.

Within the last number of months, the MHCA has had constructive discussions with key rural municipalities around the further advancement of that concept.

“We think we are making progress to develop consensus on building a better, more progressive and transparent taxation system that improves the returns to the communities hosting aggregate pits and quarries,” MHCA President Chris Lorenc said.

Lorenc noted that some municipalities don’t collect the license and the transportation levies because of the administrative burden. The proposal would resolve that problem because the new CEL would be collected by the province along with the government’s existing pits and quarries rehabilitation levy. This, therefore, would see new benefit to many more communities.

“We think it’s a win/win/win proposition. The industry gains because the rules and fee structure are the same across municipalities, the communities gain with dramatically increased revenues to be used as they see fit and the province wins through a stable, cooperative aggregate production environment.”

The CEL proposal is part of the discussions being considered by a provincial pits and quarries advisory committee, composed of industry, municipal and provincial representatives. The committee’s recommendations are to go to relevant provincial ministers by November.

Upcoming MHCA Meetings

Rental Rates Committee
MHCA Office
August 25 - 12:00-2:30 PM

Rental Rates Committee
MHCA Office
October 6 - 12:00-2:30

MHCA Executive Committee
MHCA Office
November 21 - 12:00-4:00 PM

MHCA Executive Committee
MHCA Office
September 6 - 12:00-4:00 PM

MHCA Executive Committee
MHCA Office
October 25 - 12:00-4:00 PM

Rental Rates Committee
MHCA Office
December 1 - 12:00-2:30

MHCA Board of Directors
MHCA Office
September 13 - 12:00-4:00 PM

Rental Rates Committee
MHCA Office
November 3 - 12:00-2:30 PM

MHCA Executive Committee
MHCA Office
January 17, 2018 - 12:00-4:00 PM

SAFE Roads
MHCA Office
September 21 - 12:00-1:30

MHCA Board of Directors
RBC Convention Centre
November 17 - 10:00-12:00 Noon

MHCA Board of Directors
Location TBD
January 24, 2017 - 12:00-4:00 PM



THE SAFETYYS

A Celebration of Workplace Safety

WEDNESDAY, SEPTEMBER 27, 2017

WWW.THESAFETYYS.CA

Save the Date

MHCA Annual General Meeting
& Chairman's Gala

Friday November 17, 2017

RBC Convention Centre, Winnipeg



Procurement perspectives: The tender process continues to need more clarification

Stephen Bauld, Daily Commercial News, August 18

Problems still arise every week related to the tender process. Since a tender is a contract competition conducted in accordance with defined rules, the terms of those rules must be clear and understood by the potential suppliers who participate in the contest. The timetable for the tender should be clear and readily identifiable. Any requirements as to the bonding or other security should also be made prominent. There should be no ambiguity or inconsistency in the documentation.

I see so many inconsistent tender documents from municipalities each week that it makes me wonder why every tender that is issued won't at some point end up in a dispute.

Contract terms should not be buried so that an inexperienced bidder will be likely to miss them. Although there is a general obligation on bidders to read over the tender documents carefully, the courts construe any ambiguity, or particularly harsh provisions, in such documents against the municipality, under a principle of contract interpretation known as the "contra proferentem rule."

Therefore, it is highly advisable to bring any unusual provisions to the attention of the reader.

A checklist should be provided of all tender documents so that each bidder can confirm it has received the complete package. It is also advantageous to specify the number of pages in each document (e.g. many municipalities follow the practice of numbering each page as "page n of m").

A specific procedure should be provided for clarifying any ambiguous or otherwise uncertain aspects of the tender process. The same clarification should be provided to all parties, not just the supplier who requests it. For a tender to be conducted fairly, it is necessary that everyone is required and allowed to play by the same rules.

There can be no special arrangements. Allowing one supplier to depart from the understanding on which all other suppliers are competing creates the appearance of a bias process. Inherent in each supplier's right to be treated fairly is the right to insist upon a level playing field.

The tender rules should include a binding dispute resolution procedure. All contractors and suppliers should be required to lodge a formal written complaint within a specified time limit, if they wish to object to the manner in which the tender was conducted.

For instance, the tender guidelines might state: As a condition precedent to any legal right of action with respect thereto, any dispute over, 1) the award of contract; 2) any alleged breach of these guidelines (including the process of bid evaluation); or 3) any other rule applicable to the conduct of the tender or the award of the contract, must be made in writing, signed by the complainant, and submitted to and received by the manager of purchasing no later than 3 p.m. on the 10th business day following the posting of the name of the successful bidder on the purchasing department website.

The tender rules should exclude any right of dispute outside this process. If nothing else, such a regime can bring closure to any lingering debates or doubts as to whether a contract was fairly awarded.

The implicit tender contract also necessitates taking great care in preparing the tender documents to ensure that they make sense to the reader. Although clarity and precision are important whether a request for tender, proposal or information is employed, its importance is of a different order of magnitude in a tender, as contractual obligations may flow without further discussion between the parties.

Tender documents should be drafted in accordance with the best standards of legal drafting. The documents must be well organized and written in appropriate language for a legal document. The use of terminology must be consistent. It is also essential not to leave important elements of the total contemplated transaction to chance.

Stephen Bauld is a government procurement expert and can be reached at swbauld@purchasingci.com



Can everyone handle higher rates?

Peter G Hall, Vice President and Chief Economist

Like it or not, interest rates are rising. And it seems no one will get a free pass; even in unlikely places (like Canada), the cost of borrowing is going up. All the talk is about the expected impact. Rates have been ultra-low for ultra-long, a fact that has doubtless conditioned planet-wide borrowing behavior. Those with a particular bent for borrowing could easily have binged over the past decade or so virtually unnoticed. Are they about to become front-page news, and if so, what is the likely outcome?

Sovereign states are the biggest borrowers on terra firma, bar none. Europe's appetite for debt in the post-recession period was legendary, despite Germany's remonstrations. Public debt also soared in the US, and is now a sore point with voters. Japan showed up at the party already pretty loaded, but has thought nothing of pressing the limits of debt ever further. Other OECD nations, including Canada, have also run up sizable debts in recent years. Let's face it, we are all vulnerable to rising debt-servicing costs as the rate-tightening cycle sets in.

Emerging markets are far from exempt. Although ultra-loose monetary conditions enabled many to restructure their debts – reducing exposure to foreign borrowers and their currencies, lengthening amortization periods to shield the public purse from short term rate fluctuations, and so on – it has still been difficult to resist cheap debt. Why is that? Well for starters, lenders have for a long time had a hard time getting a decent yield on their holdings. Ample liquidity effectively bid down yields everywhere, prompting investors to scour the planet for higher returns. They found them in riskier places, one of which was emerging markets. It then became a race to lock in these returns, and in so doing, investors pushed down emerging market bond yields far lower than their risk profile would suggest. At one point, Zambia's bond yields were lower than Spain's!

All that is about to go into reverse – in fact, the unwind has already begun. Now, there is a lot of concern about what the end of cheap money means for emerging markets, and whether localized debt crises are inevitable. To gauge the potential impacts, EDC Economics has dusted off a tool we developed back in 2012 as the famed 'taper tantrum' was about to demonstrate what might happen to global debt markets. Our Country Vulnerability Index, upgraded since then, tracks seven key factors that measure exposure to the evolving situation.

For simplicity, our Index weights each of the seven factors equally, with the overall rankings being determined as the average of the ordinal ranking of the seven factors. In no particular order, the factors are: inflation-adjusted credit growth; portfolio investment inflows as a share of GDP; current account balance as a share of GDP; EDC's commercial country ceiling rating; the number of months' worth of import cover; the ratio of short-term external debt to international reserves; and gross external financing requirements as a share of GDP.

Due to data availability, we computed our rankings based on any six of the seven factors. For the most part, the standings are not surprising. Countries like Zimbabwe, Georgia, Nicaragua and Mongolia fare poorly owing largely to high external imbalances. Two in the top third of the table that bear watching are Venezuela (14) and Argentina (33), and a close follower is Turkey (37). All of the BRICS together with Mexico fare well in the rankings, generally being well into the lower half of the pack. Even the 'next' markets, for example Indonesia, fare well.

What we are about to witness is no less than a wholesale regime change for which there's no complete playbook. That's one of the key reasons that monetary regimes are taking a stepwise approach, testing the market with modest movements and lots of follow-up scrutiny. So far, capacity conditions have favoured a patient approach. The risk is that inflation forces central banks to tighten more aggressively, causing vulnerable debtors to feel the heat. It's good to know in advance where the hotter spots are, and to ensure that any risks are covered as much as possible.

The bottom line? Rising interest rates are perhaps the best signal that growth is normalizing at a stronger, sustainable pace. But it means a whole new approach to debt and currency management by sovereign governments, and as they adjust, it's good to be as aware as possible of the stress points.



Time to focus on end-of-season injuries

WORKSAFELY™ Back to You with Don Hurst

We are entering the annual "high season" for accidents and injuries in our industry. As the heavy construction season reaches its peak and moves towards end-of-season, we tend to see an increase in sprain and strain injuries. Heavy construction work often involves awkward postures, a lot of repetition, prolonged exposure and whole-body jarring. These injuries and their related compensation costs can often last well beyond the construction season.

The key to protecting your workers from these injuries is prevention. Focus on training your workers on proper mounting and dismounting of equipment (see page 6), lifting techniques, and slip, trips and fall prevention. In the coming weeks WORKSAFELY™'s Safety Talks will focus on similar areas to help you protect your workers.

We encourage you to pay close attention to these hazards to reduce the incidents of musculoskeletal injuries and to reduce your compensation costs.

KNOW YOUR WORKSAFELY™ TEAM

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To contact your WORKSAFELY™ advisor assigned to your area, please see mhca.mb.ca/worksafely/know-your-advisor



SAFETY TALK

What's the danger?

The improper mounting and dismounting of equipment is a common cause of musculoskeletal injuries.

Hazards include:

- Mud or grease on footwear
- Slippery equipment surfaces
- Cluttered or uneven landing area
- Torn or loose clothing
- Incorrect hand and foot placement
- Entering or exiting equipment in a hurry
- Jumping from equipment

Mounting and dismounting equipment

How to protect yourself

Mounting:

- Ensure equipment is off and all boom attachments are lowered
- Face equipment when climbing and maintain 3-point contact
- Ensure you have a solid grip on the handles
- Take your time entering the equipment
- Avoid contact with machine controls

Dismounting:

- Position the equipment on even ground when possible
- Ensure equipment is off and all boom attachments are lowered
- Face equipment when climbing down; maintain 3-point contact
- Take your time exiting the equipment
- Be aware of your surroundings
- Watch for hazards when dismounting

Print and review this talk with your staff, sign off and file for COR™ / SECOR audit purposes.

Date: _____

Performed by: _____

Supervisor: _____

Location: _____

Concerns:

Corrective Actions:

Employee Name:

Employee Signature:

**TO REGISTER,
PLEASE CONTACT:**
Kristen Ranson
kristen@mhca.mb.ca

Training Schedule

**WINNIPEG - MHCA Office
3-1680 Ellice Ave.**

30 Train the Trainer **August 2017**

September 2017

- 12 Flagperson 1/2 day AM
- 12 Committee/Representative training 1/2 day PM
- 14-15 Traffic Control Coordinator
- 18-19 **COR™ Leadership in Safety Excellence**
- 20 **COR™ Principles of Health & Safety Management**
- 21-22 **COR™ Auditor**
- 25 Excavating and Trenching 1/2 day AM
- 25 **COR™ Auditor Refresher (no charge) 1/2 day PM**
- 27 Train the Trainer

October 2017

- 12 Flagperson 1/2 day AM
- 12 Committee/Representative training 1/2 day PM
- 13 Excavation and Trenching 1/2 day AM
- 13 Transportation of Dangerous Goods 1/2 day PM
- 16-17 **COR™ Leadership in Safety Excellence**
- 18 **COR™ Principles of Health & Safety Management**
- 19-20 **COR™ Auditor**
- 24-25 Traffic Control Coordinator

November 2017

- 2 Winter Roads Safety 1/2 day AM
- 2 Environmental Awareness 1/2 day PM
- 7 Flagperson 1/2 day AM
- 7 Safety Committee/Representative 1/2 day PM
- 8 Excavating and Trenching 1/2 day AM
- 8 Auditor Refresher (no charge) 1/2 day PM
- 9 Train the Trainer
- 13-14 Traffic Control Coordinator
- 20-21 **COR™ Leadership in Safety Excellence**
- 22 **COR™ Principles of Health & Safety Management**
- 23-24 **COR™ Auditor**

December 2017

- 4 Flagperson 1/2 day AM
- 4 Safety Committee/Representative 1/2 day PM
- 7-8 Traffic Control Coordinator
- 11-12 **COR™ Leadership in Safety Excellence**
- 13 **COR™ Principles of Health & Safety Management**
- 14-15 **COR™ Auditor**

★ Leadership Certificate Program/Gold Seal
 ↗ e-COR™ training and information session

MHCA SUMMER OFFICE HOURS

Effective May 15 until September 1, 2017

Monday: 7:45 am - 4:30 pm
(lunch 12:00 pm-12:30 pm)

Tuesday: 7:45 am - 4:30 pm
(lunch 12:00 pm-12:30 pm)

Wednesday: 7:45 am - 4:30 pm
(lunch 12:00 pm-12:30 pm)

Thursday: 7:45 am - 4:30 pm
(lunch 12:00 pm-12:30 pm)

Friday: 7:30 am - 12:00 pm

Closed Saturday and Sunday

