



# The Heavy News Weekly



## TRADE TRANSPORTATION INFRASTRUCTURE STRATEGY TO TAKE PROFILE IN PRE-BUDGET SUBMISSION

*MHCA to submit brief to premier, key ministers, rural MLAs*

**M**anitoba is knowingly amassing a larger transportation infrastructure deficit, a legacy of pre-2016 asset mismanagement, repeated cuts to the Highways Capital budgets since 2016, and the absence of an infrastructure investment strategy attached to a transparent capital asset management plan.

Such an approach hurts Manitoba's trade-dependent economy, puts at risk the jobs and incomes of thousands of Manitoba construction workers and impairs the heavy construction industry's sustainability. The solution requires restoring the highways capital program to at minimum \$500 million annually, starting with the 2019 budget.

Those are some of the core messages of the MHCA's pre-budget brief to be submitted to Premier Brian Pallister and his government.

"There is no way, with a meagre annual highways program of \$350 million, that Manitoba can be credibly heard to say that it is making any headway on reducing its \$6-billion transportation infrastructure deficit." MHCA Pres-

ident Chris Lorenc said Monday, coming out of a meeting with Infrastructure Minister Ron Schuler.

"We are stressing to government the critical role that transportation infrastructure plays in supporting Manitoba's trade-dependent economy, which produces 53% of our GDP. Those highways and roads carry the goods and commodities to and from our trading partners, and move people to work and school every day."

That foundational role is why eight leading business and stakeholder organizations have joined in the call for strategic, sustained investment in transportation infrastructure by Manitoba (see Page 3).

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THE RIGHT TRAINING AT THE RIGHT PLACE: BACK TO YOU

# Trade transportation infrastructure strategy to take profile in pre-budget submission

The August 13 meeting, called at the minister's request, was extremely disappointing. Representatives from the MHCA's Board of Directors and past-chairs impressed upon Schuler both the exponentially growing impact to the condition of Manitoba's transportation system (highways, roads bridges & structures) short- and long-term, and the resulting damage to the economy and revenues needed by government to address the fiscal balance challenges. They referred the minister to a Conference Board of Canada report in 2014, which estimated that \$1 billion invested returned \$1.358 billion to the real GDP when key economic indicators (jobs, income, taxation etc.) were measured.

Moreover, they pointed to the damage done to the industry and its employees over the last three budget cycles.

Since 2016, the highways capital program has seen a reduction from \$628.4 million (actual) in 2016 to \$350 million in 2018 (budget), a 44.3% reduction. Coupled with program under-expenditures of \$92 million since 2016, this amounts to an astounding \$370.4 million reduction, or almost a 59% cut to investment in Manitoba's highways system.

Roughly 30% of project costs are attributable to labour, and that means the incomes of heavy construction industry workers have been reduced by \$111 million since 2016.

The government publicly pledged an annual \$500-million program level for five years, commencing 2017. That would have allowed it to marginally address the roughly \$6-billion investment deficit. At \$350 million, the investment level actually adds around \$75 million annually to the deficit, which is growing exponentially.

"Such cumulative impacts should shock every Manitoban," said Lorenc. "No other area of government expenditure has taken such a massive hit and with such short- and long-term damage to service levels, workers and industry. And frankly, no other area of government programming can even come close to the return on investment that infrastructure brings," said Lorenc.

"As for sustainable and predictable funding it is long overdue that a provincial panel was established to review funding structures, to find a new model – one that puts strategic investment at the heart of the program, respecting the critical link it plays in elevating the provincial trade profile and its defined, documented economic return."

As unanimously directed by the Board of Directors, the MHCA will engage in public messaging to reinforce the importance of core infrastructure, strategic investment and long-term planning at both the municipal and provincial levels.

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## Putting trade on the road

### ↳ Manitoba's unbounded potential

Manufacturing, agriculture, wholesale/retail trade, construction, mining – \$20 billion of our GDP – rely on trucking. If trucks are delayed by decaying or uncoordinated corridors, our economy suffers. We must invest strategically, long-term in transportation.

*Terry Shaw, Manitoba Trucking Association*

Well-designed and maintained infrastructure is critical to ensuring our businesses and communities are able to do business. Our members recognize strategic investment in infrastructure is foundational to economic growth, which benefits all Manitobans.

*Chuck Davidson, Manitoba Chambers of Commerce*

Manitoba's capital region – at 70% of our GDP – must be a priority for strategic transportation infrastructure investment. It needs a seamless, regional system to compete with similar efforts in Canada. We get this right, all of Manitoba grows economically.

*Colleen Sklar, Winnipeg Metropolitan Region*

Manufacturers know that trade infrastructure is critical to just-in-time delivery and the smooth flow – import and export – of goods. Without strategic infrastructure investment, the cost of doing business rises, which leaves less to invest in plants, equipment, technology, and jobs.

*Ron Koslowsky, Canadian Manufacturers and Exporters*

Manitoba exports. Tens of thousands of jobs would not exist if we could not transport people and goods in and from our province. The economic activity of Business Council members, like that of all Manitoba, is not possible without efficient infrastructure.

*Don Leitch, Business Council of Manitoba*

Our roads are the very conduits by which we trade goods, connect people and drive economic prosperity in our communities. Infrastructure is an essential link in any business' supply chain. We need sustained, strategic investment in infrastructure to ensure no weak links in the chain.

*Loren Remillard, Winnipeg Chamber of Commerce*

Predictable funding allocations and fair cost-sharing amongst orders of government are keys to building infrastructure needed for strong, vibrant communities. Transportation infrastructure is vital for sustained economic growth, connectivity and competitiveness.

*Joe Masi, Association of Manitoba Municipalities*

Mines – anchors of northern Manitoba's economy – are the farthest possible distances from their customers. The ability to move bulk commodities to market efficiently, at competitive prices and on modern infrastructure is crucial for our industry's success.

*Andrea McLandress, Mining Association of Manitoba Inc.*

↳ "There is the infrastructure we want, like parks and hockey rinks;  
the infrastructure we need, like schools and hospitals;  
and then there is the infrastructure that pays for these things  
and that is trade infrastructure."

*Perrin Beatty, Canadian Chamber of Commerce*

# City of Winnipeg decides 'no-award' on multimillion-dollar project

*MHCA seeking explanation on Water & Waste decision on Calrossie/Cockburn sewer and northeast interceptor projects*

**The MHCA is deeply troubled by two Water and Waste department procurement decisions, approved by Winnipeg council's executive policy committee at its last meeting in July.**

The committee approved a decision by the Water and Waste department not to award a tender advertised (#866-2017B) for construction of 1.2 kilometres of trunk sewer in the Cockburn and Calrossie combined-sewer relief project. The department said the three bids submitted were all substantially higher than the \$24 million estimate the public service had allotted for the job.

In a second decision, the EPC approved the department's decision to single source the contract on the northeast interceptor sewer river crossing (tender opportunity #1136-2017B) to Ward & Burke Microtunnelling. The contract award came after determining that company's first bid, which exceeded the pre-tender estimate, and a second lower but altered bid, were 'non-responsive.' However, the second bid, which significantly changes the terms of the contract, was then awarded to Ward & Burke without re-advertising the tender opportunity.

"We are really dismayed to see both the non-award and the single sourcing of a dramatically revised tender," MHCA President Chris Lorenc said. "These are high-value, large construction projects, and it's important to get them right — for the taxpayer and the city's water and waste infrastructure system."

Lorenc said the MHCA is pursuing discussions to understand what occurred in these instances. He noted that the four bids returned on the Calrossie/Cockburn project were all more than \$10-million higher than the city's own estimate of what the work would cost. Moreover, there was less than 10% difference between the lowest and 3rd lowest prices, which should indicate that there was something amiss in the city's estimate as the market clearly returned competitive bids.

On the northeast interceptor sewer project, the terms of the project were significantly changed, allowing for a much later completion date. "Something that substantial should require a new tender opportunity, not a sole sourcing to the contractor that proposed it," Lorenc said. The administrative report on the interceptor project said the city is of the opinion that the changes do not substantially modify the tender requirements and therefore the award with trade agreement rules on sole sourcing contracts.

On the Cockburn/Calrossie matter, the city decided to work with the engineering consultant to look at "alternative bid-packaging design strategies and options to reduce the project capital cost."

**Q:** What is an inland port?

**A:** Inland ports provide **industrial land** connected to **multi-modal transportation**, and help businesses efficiently manage their supply chains and connect them to markets around the world.

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# No plan? Then no pedestrians at Portage and Main: trucking association

Aldo Santin, *Winnipeg Free Press*, August 13

**The Manitoba Trucking Association says it's opposed to reopening Portage and Main to pedestrians until city hall can prove it's safe and engages the community in a meaningful consultation process.**



Photo: Mikaela Mackenzie, *Winnipeg Free Press*

Terry Shaw, the association's executive director, said based on the information released so far — essentially only a consultant's report — no case has been made to reintroduce pedestrians and the MTA is opposed on safety and efficiency grounds.

Shaw said the Perimeter Highway isn't a viable alternative for trucks and the long-planned inner-ring road is incomplete, explaining that truckers inevitably must go through Portage and Main to get to their destinations and they don't want anything to impede truck travel.

"If you want to go east to west or north to south, our city is hub-and-spoke and that hub is Portage and Main. It's the dead centre of our city," Shaw said. "Our alternatives to avoiding that intersection are incredibly limited and as such it is a critical intersection, one that we need to maintain safe and efficient access to."

Shaw said he wrote to Mayor Brian Bowman on July 26 outlining the association's concerns and opposition to the plan but to date hasn't received a response.

"The most significant question that remained unanswered by the MTA Board was, 'in an era of well understood infrastructure budgetary challenge, why is this project being considered a priority?'" Shaw said in his letter to the mayor.

"This question remains unanswered....Until the safety and efficiency concerns are better understood and addressed as part of the Portage and Main plan the MTA Board is on record as opposing this project at this time."

A response to the MTA letter "is forthcoming," a spokesman for Bowman said.

Jonathan Hildebrand, the mayor's director of communications, said council shares many of the trucking industry's concerns about the as yet unknown implications of reopening the intersection. And that's why Bowman supported council's October directive to require the public service to return to council with an implementation plan outlining costs, as well as traffic and transit implications, before any pedestrian traffic is reintroduced on a phased-in basis, he said.

Bowman supports placing the issue on the Oct. 24 civic election ballot, "allowing all Winnipeg residents to have their say on this matter," Hildebrand said.

Allowing pedestrians to cross Portage and Main has never been identified as a priority on the city's Master Transportation Plan, Shaw said, adding city hall should concentrate on dealing with that plan's stated priorities.

"Infrastructure funds are limited. This is a trade corridor. Why are we investing in a project that will reduce safety and efficiency on a Winnipeg trade corridor, especially when other projects identified on the transportation master plan remain unaddressed?" he said.

Shaw said the trucking industry might have a different response if the city had completed a conceptual design and study showing safety and delay issues can be addressed and presented it to the public for input.

A preliminary transportation study was completed by Dillon Consulting, which looked at five different options for pedestrians to cross at the intersection. The study, which focused on pedestrian, private vehicle and transit travel times travel times, recommended one that would generate only minor traffic-flow delays.

Dillon acknowledged that the interaction of pedestrians and turning vehicles poses safety risks and that the simulation models it used on the various options could not address them, but did say safety could be enhanced with improvements to driver sightlines and traffic signals.

A second consulting contract, based on the Dillon study, that would have produced the conceptual design the trucking industry and others are waiting for has been withdrawn pending the outcome of the Oct. 24 referendum.

Shaw said the trucking association isn't planning any public campaigning leading up to the ballot question and doesn't believe it's necessary.

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# MHCA GOLF CLASSIC

AUGUST 15, 2018

## WINNERS

### 1st place low gross

Team: Tri-Core Projects

Course: Elmhurst

1. John Highmoor
2. Kyle Heroux
3. Harold Peterson
4. Ken Smallwood

### 2nd place low gross

Team: WD Industrial Group

Course: Elmhurst

1. Jeff Warren
2. Kurt Chekosky
3. Justin Gerardy
4. Jamie Brewster

## PINE RIDGE CONTESTS

### #1 Closest to the Line sponsored by FMI Corporation

Winner: Eric Laurin

### #2 Longest Drive sponsored by Husky Energy

Winner: Chad Webster

### #4 Longest Drive sponsored by Glacial Aggregates

Winner: Ben Vipond

### #6 Opposite Hand sponsored by WORKSAFELY

Winner: Drew Thunder

### #7 Closest to the Pin sponsored by Lawson Consulting & Surveying

Winner: Chris Parker

### #10 Closest to the Pin sponsored by Inland Pipe

Winner: Colin Matychuk

### #11 Closest to the Line sponsored by Craig Kelman & Associates

Winner: Dave Smith

### #14 Closest to the Pin sponsored by Peter Kiewit Sons ULC

Winner: Sonya Kouchuk

### #15 Longest Drive sponsored by Grant Aggregate & Industrial Supply

Winner: Ben Vipond

### #16 Hole in One sponsored by Maxim Truck & Trailer

Winner: no winner this year

### #18 Speedball sponsored by Wanless Geo Point Solutions

Team: Perfect Landscaping

### Putting Contest sponsored by ATS Traffic - Manitoba

Winner: Scott Kelman

### Contest Ball Sponsored by Pitblado Law

Winner - Tervita Corporation

### Door Prizes

Traeger Pellet Grill Winner: Scott Aikman

Jets Adirondack Chair sponsored by Aon Reed Stenhouse

Winner: Ray Huckerby

## ELMHURST CONTESTS

### #1 Opposite Hand sponsored by WORKSAFELY

Winner: Prohor Kernosizb

### #2 Closest to the Line sponsored by M.D. Steele Construction

Winner: Matt Kiteley

### #3 Longest Drive sponsored by Building Products & Concrete Supply

Winner: Ash Votto

### #4 Closest to the Pin sponsored by Inland Aggregates

Winner: Trevor Hodnott

### #7 Closest to the Line sponsored by Lakeview Hotels and Resorts

Winner: Ryan Sanders

### #9 Longest Drive sponsored by Husky Energy

Winner: Brad Depape

### #11 Closest to the Pin sponsored by Flocor

Winner: Kevin Brown

### #13 Longest Drive sponsored by SITECH Mid-Canada

Winner: Andrew Murray

### #14 Closest to the Pin sponsored by Lawson Consulting & Surveying

Winner: Steve Lussier

### #16 Speedball sponsored by Wanless Geo Point Solutions

Team: WD Industrial Group

### #17 Longest Drive sponsored by Bituminex Paving

Winner: Ken Magnowski

### Putting Contest sponsored by Intact Insurance

Winner: Scott McGirr

### Contest Ball Sponsored by Pitblado Law

Winner - Tri - Core Projects

### Door Prizes

Traeger Pellet Grill Winner: Warren Sigfusson

Jets Adirondack Chair sponsored by Aon Reed Stenhouse

Winner: Joel Jacques

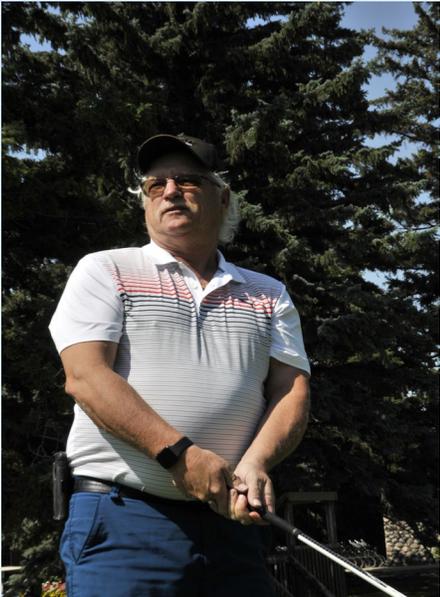


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**Don Hurst**  
Director of WORKSAFELY™  
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# SAFETY TALK

## Defensive highway driving

Heavy construction workers frequently must drive large vehicles on the highway. No matter the time of year or conditions there are hazards to consider when highway driving.

### What's the danger?

- Aggressive, inexperienced and distracted drivers on the highway
- Wildlife strikes
- Adverse weather/road conditions
- Cyclists and pedestrians
- Construction zones with workers and constricted lanes
- Increasing and decreasing speeds while passing, slowing and stopping

### Protect yourself

- Drive defensively and position yourself to be able to see your surroundings and so others can see you
- Eliminate distractions that would divert your attention from driving such as mobile devices and food
- Be aware of your surroundings and your check mirrors frequently
- Maintain a safe following distance, giving time to brake and stop unexpectedly
- Adjust your speed for conditions, as posted speed limits are for ideal driving conditions
- Pass carefully and quickly trying not to cut too closely in front of the passed vehicle while re-entering the lane
- Be cautious and plan accordingly if you have to drive in adverse weather conditions

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

Date: \_\_\_\_\_

Performed by: \_\_\_\_\_

**Concerns:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Employee Name:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Supervisor: \_\_\_\_\_

Location: \_\_\_\_\_

**Corrective Actions:**

\_\_\_\_\_  
\_\_\_\_\_  
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**Employee Signature:**

\_\_\_\_\_  
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### August 2018

- 20-21 COR™ Leadership in Safety Excellence**
- 22 COR™ Principles of Health & Safety Management**
- 23-24 COR™ Auditor**
- 28 Train the Trainer – Facilitation Skills

### September 2018

- 24-25 COR™ Leadership in Safety Excellence**
- 26 COR™ Principles of Health & Safety Management**
- 27-28 COR™ Auditor**

### September 2018

- 11 Flagperson 1/2 day AM
- 11 Safety Committee/Representative 1/2 day PM
- 17-18 COR™ Leadership in Safety Excellence**
- 19 COR™ Principles of Health & Safety Management**
- 20-21 COR™ Auditor**
- 24 Transportation of Dangerous Goods 1/2 day AM
- 24 COR™ Auditor Refresher 1/2 day PM**
- 25-26 Traffic Control Coordinator

### October 2018

- 3 Flagperson 1/2 day AM
- 3 Safety Committee/Representative 1/2 day PM
- 10-11 Traffic Control Coordinator
- 15-16 COR™ Leadership in Safety Excellence**
- 17 COR™ Principles of Health & Safety Management**
- 18-19 COR™ Auditor**
- 29 Excavating & Trenching 1/2 day AM
- 29 Transportation of Dangerous Goods 1/2 day PM

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# SAFETY

**E- NEWSLETTER**

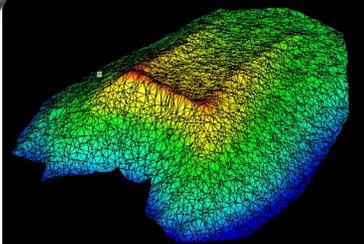
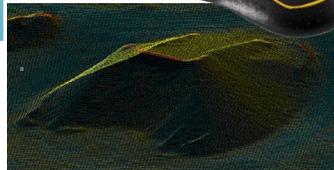
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## Canada's diversification in Asia

By Peter G Hall, Vice President and Chief Economist

**Asia is the world's hot-growth zone. And it's likely to heat up more in the near term, as global growth ramps up. If the hot are about to get hotter, is Canada likely to get a piece of the action?**

### ASIA'S IMPRESSIVE GROWTH RUN

Superior growth is nothing new for Asia. It has had generations of fast-paced economic miracles, from Japan's post-war run to the rise of the Asian tigers, then the ASEAN-4, India, and of course, China from 1980 onward. The juggernaut continues: since 2000, emerging Asia has maintained an average pace of real GDP growth at twice the planet's growth pace, four times the growth rate of the developed world, and averages two percentage points annually over the growth pace of the emerging world. Most expect a somewhat slower clip in the coming five years, but the region is still the front runner, by far.

### CANADA IS AT THE ASIAN TRADE TABLE

Canada is already quite active in this space. Since 2000, we racked up 8.4 per cent average growth in merchandise exports to 18 key emerging and semi-developed Asian markets. This compares with an average annual growth rate to worldwide markets of just 1.6 per cent. This was enough to take the emerging Asia share of Canada's exports from 0.9 per cent in 2000 to 4.5 per cent in 2017, a remarkable increase in a relatively short time span.

China is by far the largest single piece of this story, contributing 60 per cent of Canada's regional export growth over this time frame. Next is India, where Canadian export growth is superior, but whose contribution, at 11 per cent of the total, is held back by its much smaller share of the total. A close third is Korea, at 9 per cent, with Indonesia and Vietnam rounding out the top five.

So much for the present; what is the future looking like? Here's where things get even more dramatic. If the same pace of growth we have seen in the past 17 years persists — in general, a reasonable assumption — then in a few short years, big things happen. China's share of Canada's exports would more than double to 10 per cent by 2025. Similarly, Canadian exports headed to India would more than double their share of total sales abroad, to 1.9 per cent. In fact, four of our top 5 markets in this Asian grouping would see their shares do the same. In sum, total trade to the zone would rise to just under 15 per cent of Canada's total merchandise exports in 2025.

While there is good reason to believe that this is possible, there are a few factors that might slow things down a bit. First, protectionism is wreaking havoc with the state of trade architecture, adding a lot of uncertainty to the picture. Second, Canada's exports to the US and other traditional markets have been doing better, thanks to strong economic growth. Third, exports to Emerging Asia have been slower than average in recent years, suggesting that future growth may not be quite as robust as it was for the entire preceding 17 years.

### CANADA IS POSITIONED TO GROW IN ASIA

On the plus side, current developments may well boost performance beyond the most recent rate. The CPTPP deal has lowered trade barriers and introduced 'next-generation' innovations between Canada and the other 11 mostly-Asian signatories, paving the path for greater economic integration and higher growth. In addition, we have prospective deals on the table with China and India. Moreover, in the recent federal cabinet shuffle, the international trade portfolio was expanded to include trade diversification — strongly suggesting there will be more effort on expanding trade to emerging markets.

Asia is riddled with markets that have risen in prominence and are also markets of the future. As they increase in wealth, their reliance on outside sources of supply will rise exponentially. Diversification of trade has always been a good strategy, but it has probably never been more important than now.

### THE BOTTOM LINE?

Asia's markets are a potent force. Canada has established a fast-growing Asian footprint that suggests a promising future. But in our competitive world, nothing is guaranteed. Savvy companies are the ones with plans to leverage this potential.



# Your Voice Heard

The Manitoba Heavy Construction Association (MHCA) is the voice of Manitoba's heavy construction industry, promoting sustainable municipal infrastructure development, sustained investment in core infrastructure, and seamless, multi-modal transportation systems.

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