

CRD Wastewater Procurement Options = \$1 Billion



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*Ability is
nothing without
opportunity.*
**Napoleon
Bonaparte**

The existing infrastructure on Vancouver Island whether it is a highway, bridge, school, college, hospital, sewer or water utility was probably built by a BC construction firm, and likely a member of the Vancouver Island Construction Association.

Accordingly the Vancouver Island Construction Association is one of many stakeholders whom the Capital Regional District Core Area Liquid Waste Management Committee (CALWMC) has consulted regarding procurement options for the proposed \$1B wastewater treatment program in the capital region.

The CRD has presented three potential procurement options for the major components of the wastewater treatment facilities. They are referenced as "traditional, hybrid and P3" options. The traditional model is the conventional procurement option utilized in the private and public sector.

It is known as the design-bid-build option. It involves a public tendering process, and in the public sector the operation and ownership of the facility is retained by the public entity on behalf of the tax payers.

The P3 option involves a private sector entity participating in a complex competition to design-build-finance-operate the facilities. The successful proponent or concessionaire typically owns the facilities for a defined period of time which is generally thirty years. P3 competitions attract large international firms who specialize in the delivery of P3 projects. The hybrid option is a combination of P3 and the traditional where components of the wastewater program are procured using one of the two procurement options as outlined in the CALWMC discussion papers.

The real issue is straight forward and far reaching with long term impacts.

The P3 procurement options preclude the majority of the BC regional construction industry from participating in the bidding and construction of these projects due to the size, scope, and complexity of contracts that include the financing and operating of these facilities.

The construction industry in BC and Vancouver Island is primarily made up of what can be characterized as small to mid sized contractors. And there are some very large firms too.

On Vancouver Island it is these contractors who have built our communities. They and their employees pay taxes in the communities that they live and work in. They have a vested interest in the overall well being of their community, and they support their community in many ways.

The construction industry like many others will be confronted with an unprecedented skills gap and human resources challenge over the next 5 years as 20% of the work force retires. During the 10 year span of this project the BC construction industry will have 35,000 positions to fill. 15-20% of these positions will be on Vancouver Island.

The regional industry must have access to construction opportunities to address this formidable challenge, and to maintain its vitality and capacity. Every opportunity to develop a skilled work force is essential to the sustainability of the industry and the communities that they live in work in.

The CRD is considering how to procure the largest capital project in Vancouver Island's history, a project that will span ten years. The regional industry is not asking for any special consideration or preference, we are simply demanding the opportunity to participate through fair, open and transparent processes. The industry, the people who work in the industry and community deserve not to be excluded the opportunity or the benefits of this project.

We encourage you to add your voice to the many stakeholders and citizens on this most important issue. See <http://www.wastewatermadeclear.ca> for more information.

Information provided by the
Vancouver Island Construction Association



Vancouver Island
Construction Association

www.vicabc.ca

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