



FOR RELEASE
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Fall capital announcement provides contractors with better information and certainty

WHITEHORSE—The Yukon government is responding to the needs of the territory's contracting sector by introducing a new practice for providing information about capital planning with early information and more reliable estimates.

Premier and Minister of Finance Darrell Pasloski and the Minister of Highways and Public Works Wade Istchenko announced the change to members of the contracting industry and the business community at a news conference on the site of the new F.H. Collins Secondary School.

"Investment in infrastructure is essential in providing a wide range of services to Yukoners and creating opportunities for local business," Pasloski said. "By responding to the needs of contractors, the Yukon government is supporting a diverse and thriving private sector economy in Yukon."

Istchenko said: "Contractors will be better prepared to make the most of Yukon's short construction season. This is a new, proactive approach that will also provide the public with more reliable information and better cost estimates for major capital projects."

Yukon Chamber of Commerce Transportation Committee chair Kells Boland said: "The Yukon Chamber of Commerce believes the new capital budgeting process proposed by the Yukon government will more effectively advance public infrastructure projects in the territory. The chamber applauds the Yukon government's action on this initiative, coming out of a transportation workshop held earlier this year in collaboration with the Silver Trail and Dawson chambers of commerce."

Yukon Contractors Association president Larry Turner said: "This is good news for the building community. This change means that the Yukon government is enabling project design and planning to be completed sooner, which means contractors will be able to get an earlier start in Yukon's short building season."

Whitehorse Chamber of Commerce chair Josh Clark said: "We are happy to see the government is listening and responding to the business community. The chamber had requested adjustments to the tendering process, on behalf of business, that would provide more certainty and opportunity for industry. The chamber believes these changes will help accomplish that."

View: Fall capital project update

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See backgrounder.

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Backgrounder:

The Yukon government's capital planning is a multi-year process that identifies an overview of capital expenditure priorities.

The previous process:

Each year the government presents a three-year capital plan.

The estimates for implementation are generated before the planning phase is complete and before the entire scope of the project is determined. The estimates are therefore subject to a high degree of variability.

The new process:

The government will continue to present a three-year capital plan but there will be a clear distinction between planning and implementation. Going forward, project announcements will continue to be made in the annual spring budget. However, the budget line for the first phase of a project will only include money for planning.

The implementation money for all capital projects will be shown in the following years of the capital plan as an unallocated amount or a lump sum in the Highways and Public Works budget. This unallocated amount will be an aggregate based on initial cost estimates for each project.

Once the planning phase is complete, implementation costs will be included in subsequent departmental budgets.

This approach allows project planning to proceed before a specific amount for implementation is determined. Contractors will have early notice about what projects will proceed in the upcoming construction season through an annual capital update in the fall, identifying projects' status and indicating next steps.

The new process also means that when implementation costs are announced, they will be more accurate because planning has been completed.

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