

February 23, 2021

Re: Construction Materials Shortages / Price Instability

Dear Industry Colleagues

The Winnipeg Construction Association (WCA) represents 800 construction companies in the Province of Manitoba. We are reaching out to you today to communicate our concerns regarding the supply and price volatility of certain construction materials.

As the pandemic continues, the construction industry appears to be facing supply shortages of some building materials, including electrical supplies, plywood, lumber and steel. The impact of these shortages is leading to price escalations and uncertain delivery timelines and creating difficulties in the stipulated sum bidding environment. Uncertainty of any kind can result in higher construction costs and we encourage you to take steps to mitigate these risks.

The most effective step to mitigate risk to competitive bidding remains early tender award. We are strongly advocating to the design and owner community in Manitoba to recognize these risks and wherever possible, to shorten the award timeline. Today it is common to see "90-day award periods" yet contractors are being told that certain commodity pricing is only good for 15 days. The only solution open to contractors bidding work under these circumstances is to add contingency fees which potentially increase the cost of construction.

We strongly encourage you to consider rapid bid evaluation and project awards in 30 days or less wherever possible until this situation stabilizes.

Thank you for your consideration in this matter.

Best regards,



Jaqueline Gershman
Business Development Manager
Winnipeg Construction Association