

COR[®] CERTIFICATION AND SURETY

BY SCSA STAFF



Surety bonds play an important part of the construction industry. Contract bonds provide a financial guarantee to project owners, ensuring successful delivery of a project. Unlike insurance, where claims are based on fortuitous loss between the insurer and insured – surety is underwritten on the contractor's ability to successfully undertake a project in question. As well, surety is based on a tri-party agreement between the Surety, Principal (Contractor) and the Obligee (Project Owner).

Surety facilities are underwritten on three guiding principles: Capital, Capacity and Character:

- Capital – Capital speaks to the financial strength of the organization to determine their ability successfully cashflow a project through to completion.
- Capacity – This refers to the contractor's operational skillset, industry knowledge and manpower. This helps determine if the contractor has the experience and workforce to complete their ongoing work on hand.
- Character - Who you are as a company, and key individuals within the firm (the reputation of the contractor). If a contractor does not have a strong reputation for instance due to unsafe work practices, they may have a difficult time finding support for a surety facility.

The Saskatchewan Construction Safety Association (SCSA) is committed to protecting their member employees, contractors, and the public by providing an understanding of how to run safe jobsites and work environments. The Certificate of Recognition (COR[®]) certification has been one of the steps SCSA has taken to bring safety awareness to the forefront.

The COR[®] program is a staple to showing a commitment to safety and can play a vital role in demonstrating good character when it comes to an application for a surety bond. Project owners are now making COR[®] certification a mandatory "Pass/Fail" component of their bids. This will become a more common practice in the industry, similar to the requirement of providing bonds on every tender.

Of the three principals of surety, *character* is the most scrutinized trait of a contractor. The more committed a business leader is to ensuring a safe workplace by getting employees home safe each night to their families, the more easily that commitment will translate into a contractor of good character.

While a company cannot usually obtain surety without good character, building up an extremely strong character component by demonstrating a commitment to safety can gain trust and comfort with your surety. This can ultimately lead to an increase in project support your surety is willing to provide over time.

The Saskatchewan Construction Safety Association (SCSA) is an industry-funded, membership-based, non-profit organization that provides cost-effective, accessible safety training and advice to employers and their employees in the construction industry throughout Saskatchewan to reduce the human and financial losses associated with injuries. Content collaboration – Michael Sali, Vice President; and Bryce Brucker, Account Executive, both of the Construction Services Group, Surety, Aon Reed Stenhouse Inc. iw

SAFETY BEGINS WITH TEAMWORK: W. HUNTER ELECTRIC LTD.



Safety is the first thing on everyone's mind at W. Hunter Electric Ltd. The company's commitment to safety is led by co-owner Kim Hunter, who has handled safety and human resources for the 33-strong team over the last eight years. The COVID-19 pandemic has added another level of safety protocol to their daily work, readily embraced by the company to protect themselves and their clients. "We reacted quickly to the changes that the outbreak required," says Hunter. "We set up several office staff to work from home, added additional sanitation and hygiene procedures for our shop and job sites, and changed our delivery and warehouse procedures to minimize contact."

Even in normal times, W. Hunter Electric has made safety a priority every day. The company has integrated technology into their procedures, with every staff member using SiteDocs (a web-based safety management tool) to handle their safety documentation. "SiteDocs helps us stay on top of issues in real time," says Hunter. "I can see right away what's happening on our sites, and we can address things immediately."

W. Hunter Electric also makes sure their team understands the "why" behind their safety procedures. "Blind compliance isn't valuable," says Hunter. "Educating people on the reasons and science behind company policies and procedures is far more engaging and productive." As well, the company firmly believes that no task is

worth the risk to anyone's health and safety. "We want everyone to head home healthy, happy and safe at the end of every workday," says Hunter. This philosophy on safety works well, as evidenced by no lost time incidents in 2018 or 2019.

Finally, W. Hunter Electric acknowledges the Saskatchewan Construction Safety Association's knowledge and support in developing their company's safety program. "Their expertise was invaluable in helping us set up our program," says Hunter. "And, we became COR[®] certified in 2018. That certification has brought recognition to our company and shows our industry that we're committed to safety in everything we do." iw



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