

35. Organize Verigin Construction (1984) Ltd (VC(1984)L)

Marbella Pacific Construction Limited (MPCL was the company that Verigin’s and Rempel’s created to undertake the Expo’86 projects). At the time of creation, there was not any planning for the future. Only ensuring that Expo ’86 stayed “Open Shop” which was an ICBA commitment to the Expo ’86 President, Jim Pattison, was the immediate plan.

The Rempel’s were concerned about criticisms from their Contractor Customers for competing with them. So, it was decided that we would use the same shareholding and create another company that would not attract this criticism. So, bonding and all other operations carried on as with MPCL. Verigin Construction (1984) Ltd became a reality.

Rempel’s were adamant that their accounting and offices at Abbotsford, B.C., would perform all the accounting as well as payment of all invoices. This was acceptable as they also provided all interim financing that ensured all trade and supplier accounts were paid in a timely fashion.

By and large, the Rempel’s position was that Elmer do the construction management and the Rempel’s would look after all financial affairs. This was mostly acceptable except that Ewald made a habit of never advising me of just how much money was in our bank account. I knew with our Cost Control, that we made \$1 million on Expo’86, I had no confirmation of this from Rempel’s.

Bill and I had a good system where every invoice on each project was entered into a cost control budget kept for each project. So, we knew every day exactly how each project was progressing.

That is a brief outline as to how the entire process took place without a formal agreement Rempel / Verigin for over \$35 million in business.

Amazing!

a. St Mary's Hospital additions in Sechelt, B.C.



This was a \$5 million project that was tendered while Nelson House was still being constructed. It was a nice profitable project that was taking place at a time that Rempel’s were considering that the effort to establish the “Open Shop” in the province had been successfully established. It was

during this project that they advised me that they would assist in a transition which would eliminate them from the Verigin / Rempel partnership.

Although there was a fact that not all the projects were financially profitable, the main reason was that their real business was the ready-mix concrete. During the period of 1984 through 1988, Rempel increased their ready-mix trucks on the road from 84 through to over 160. Many of their customers complained about them competing with them as General Contractors.

This was the beginning and creation of Marbella Pacific Construction West Limited. Ed Rempel had no issue with us using the established name as long as their financial participation would cease.

b. First Nations School at Nelson House, Manitoba



This \$8 million project was the first to really “scare the wits out of me”. My General Manager was concerned about the construction “depression” that was predicted after the Expo '86 boom and was looking at where the work take place. He saw a notice in the Journal of Commerce of Public Works Canada Projects in Manitoba. It was a school on Nelson House First nations, 50 miles west of Thompson Manitoba.

This school was designed by a top Architect in Winnipeg. The original school was destroyed by arson when a 10-year-old boy delivered on a \$2 bet to a friend. The Ministry of Indian Affairs and the Natives formed a committee that would create a building designed by the Native people so that there would be a feeling of “ownership” and thus be better respected. The semi-circle design is 50,000 square feet with fire walls penetrating the roof line shaped in Thunderbirds. The center core is the administration center with windows all facing the East and sunrise.

Over 40 native-born Teachers would teach the 700 students. The building was a ‘climate control’ design with beautiful interiors.

This project became a sad story in that the Mechanical / Electrical trade was worth about \$2.2 million and I had bonded tenders from Winnipeg. Acquaintances of mine, and their project Manager from Boundary Industries in Grand Forks were all being impacted by a bankruptcy procedure at Boundary Industries, and they had estimated this project and asked me to give them consideration. The bonded tender from Winnipeg was equal to their proposal. I argued that if they were trying to establish an "Open Shop" company after all their experience was in union-based operations.

It was a case of common sense and experience on my part suggesting that the new company was not an equal fit for a safe bonded tender. I allowed my heart to overrule my expertise in this matter. My Rempel partners accepted my recommendation and so the result was:

1. xxxx left the site without telling me to accept a job at the School District in Castlegar
2. xxxx stayed but he did not advise me what was taking place within the company
3. I was left to deal with people I did not know

I realized after 2 months that the "group" would have financial challenges and I tried hiring the Winnipeg Contractor and he said that he would offer nothing for what was already done for \$500,000. So, I had decision to make, and I opted to "baby-sit" the "group".

The end result was a financial loss of over \$700,000 as there was no money within the group and by this time xxxx also left the "group".

I found out later that the Group" never really had neither xxxx nor xxxx as shareholders which was a severe disappointment to me. I later found that xxxx was like that, but I do know that xxxx was just as dumbfounded as I was in the end analysis. This was by and large my fault as I did not follow due diligence and apply my contractual expertise. I should have confirmed all at the beginning, but I trusted the people.

I never let our friendship with xxxx be affected by all this and we were able to work hard to create Whatshan Lake Retreat and three seniors' projects for the Doukhobor Benevolent Society.

If anything, I was not a good and hard businessman as I could have been and perhaps the total returns would have been much better. I was much better at the estimating and the building end of the equation.

The most difficult thing I had to do was advise my partners, the Rempel's, that we were going to have a major loss on this project. Ewald Rempel's words were "that must have been the hardest thing that you had to tell me."

Later I advised brothers Lawrence and Russel. Russel just waved his hand and Lawrence had this statement "can we afford a Shishlik this year?"

Those were the people that I was involved with..... the best!

The project was subject to a number of legitimate claims which we pursued through Public Works Canada which took over four (4) years to bring to Arbitration. We did well as we were able to receive \$650,000 as a settlement after 3 days. That was a great experience for me to witness and

contribute to the success. Unfortunately, the Rempel's had already sold their Ready-mix company to Ocean Cement and the entire claim proceeds went to Ocean and neither Rempel nor Verigin got anything.

c. Tadoule Lake Airport and Field, Tadoule Lake, Manitoba



This is a unique \$3 million (approx.) project that required a 200-mile ice road construction from Lynn Lake over lakes and terrain to Tadoule Lake which was located directly East of Churchill Manitoba. This included RoW clearing and airport building.

My General Manager, decided to rent a plane in Thompson, Manitoba while inspecting the Nelson House Project, under construction. He took the Superintendent of Nelson House Project) and his wife up with him.

He brought back a Video of a previous Ice Road right of way to Tadoule Lake to promote the idea that VC (1984)L should tender the posted call.

I was reluctant to participate in a project so far away and that involved so many unfamiliar aspects such as large construction equipment and logistics of mobilization and demobilization over ice roads.

My general manger kept up the pressure and Hank Funk from Kelowna was involved in a social engagement at our home in Tsawwassen. Hank was an original Founder of ICBA and well known to the Rempel's as well as I. He was also a former Mennonite and touted as an honest fellow.

He had road construction equipment and very familiar with that type of construction and of course this was within his sphere of knowledge.

We were low tender and went through a difficult process of purchasing some equipment and also using some of Hank's. A 200-mile Ice Road was constructed from Lynn Lake East of Thompson, Manitoba.

I learned that the ice must be 3 feet thick and the flat deck transporting a D8 Cat needs the following criteria:

1. The D8 must remain running all the way in the advent that the tractor trailer gets stuck and so the D8 will push it out.

2. Driving over ice must not exceed 18 miles per hour so as not to create a wave action in the ice.

We had no accidents but that provides some input to the project.

In the end, we got all the equipment out after a successful construction with Mark, Brian and Allan working with brother Russel on the terminal and Hank's son running the heavy equipment.

This time it was Ewald Rempel's turn to make a judgement error. Ewald never went to the bank to place his name as co-signer on the account that was created with Hank.

The sad story was that Hank wrote a cheque to his company for rental of his equipment which was totally not as per agreement. I wanted to sue him, but Ewald backed away. Not all Mennonites are bred the same way!

Yes, the project lost money!

d. Talarico Place Intermediate Care Facility, Castlegar, B.C.

A Residential Care Facility operated by Interior Health and built by Verigin Construction (1984) Ltd in about 1990 at 709 - 10th Street, Castlegar, B.C. with Russel Verigin as Superintendent.



It was good to win a project close to home albeit I was still in Tsawwassen at that time. This had challenges as it was grossly over budget, and I had to go through a long process to negotiate an acceptable budget for IHA and the Health Ministry.

We were able to generate a reasonable profit on this one.

e. 5-acre Overwaitea Warehouse for Jim Pattison - Langley, B.C.



This was a “Tilt-up” concrete design for five (5) acres in size. It was certainly the type of contract that my partners, Rempel wanted me to pursue for it was essentially a concrete building with steel post, beam, truss, and steel deck roof construction.

What was most significant is that the B.C. – Yukon Trades Council, interpreted this as a project they wanted to “hit” hard and undermine the Rempel / Verigin successes. They discovered that a union construction company, Commonwealth, owned the land that Jim Pattison was going to lease for this huge warehouse. They interpreted that Commonwealth was circumventing their union agreement by using the open shop contractor. This was not even close to the truth as Commonwealth had no restrictions over the Pattison Group.

A 250 Ton crane would be necessary to erect the heavy huge 8’ x 24’ x 8” thick cast-in-place concrete panels. Farmer Construction, a Union Company from Victoria owned such a crane and was utilized to make the erections. So, when Farmer moved his crane on site, over 300 union members formed a picket line.

The union crane operator was threatened as was Farmer Construction, that he would be “black-listed” on all future projects. Of course, Farmer moved his crane off and we could not carry on. A “Cease & Desist Order” was being processed through the Courts by our Lawyers. In the meanwhile, Rempel’s were able to mobilize their Pile Driving Company to find a replacement crane. Such a crane was available in Edmonton, had no union obligations, and was being mobilized to complete the project.

The picket line continued, and Ed Rempel decided to cross it under the reason that it was his project, and he had every reason to enter the jobsite as we still had our employees inside. On the way out, the union members created a scene that suggested Ed had driven over one of their member’s leg (which was a farce in the end). The union took a precaution and had the RCMP to just happen to be on hand and Ed was arrested and placed in the Langley Jail. Ed’s brother Ewald called the Langley RCMP to confirm whether Ed was incarcerated and then proceeded to advise

the RCMP that he was bringing out a D9 Cat to level the station unless Ed was released. He followed up by called the Attorney General in Ottawa to advise him what was happening in Langley.

My Lawyer had a Courier deliver a "Cease & Desist" Order to the picket line. The Unions were obviously providing alcohol to the Picketers as they seemed far too jovial to be sensible. As the Courier delivered his C & D Order, the receiving Picketeer dropped it on the ground and proceeded to urinate on it. He did not know that the Courier was an undercover security man and had photographed the scene from his pocket.

When the video was shown to Chief Justice MacEachran, he just "saw red" that a Federal C & D Order was so abused and immediately called the Supreme Court to session the next day.

What happened the next day continues to amaze me, still. I was able to witness on TV, two (2) busloads of Riot Police had arrived on my jobsite in advance of the 250 Ton Crane delivery. I got a call from the attending Sargent asked me "are you going to work today?"

I answered, "I am waiting for a call from my Lawyer to see if the C & D Order has been granted."

"When will you hear?" was the very business-line voice on the other side.

"I expect that will happen at about 1000 hours this morning". I was quite nervous now.

"I will call at 1000 hours" was the terse response.

At exactly 1000 hours the phone rang again but I had not heard from my Lawyer and so he suggested that he would call back in fifteen (15) minutes. Immediately after that call, I got my Lawyer's call that the C & D Order was in place.

The phone rang exactly 15 minutes later, and I advised the Sargent accordingly. "Fine, I will now ensure that you can go to work!"

The rest I heard second hand, but I witnessed on TV how the Riot Police marched in two, sequential groups, approaching the picket line and stopped just short of the line as the order came "Break the Line".

No one in the line moved.

Two policemen grabbed the first available picketer and opened his hand while slapping it on an ink pad and fingerprinting same.

"I am not a criminal!" the Picketeer protested.

"Now you are!" was the answer.

“Next!”

The picket line immediately dispersed, and we never saw anyone from the union after that.

The project got completed with a few construction challenges. No, we did not make money, but we completed on time and the Unions lost a precedent setting event.

Horrible was it not?

Edited by EWV November 05, 2021