

Concerns over suspension of

portions of railway refurbishment contracts

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NEW RICHMOND – On April 11, the Quebec Ministry of Transport suspended portions of two contracts for the refurbishment of the railway between Port-Daniel and Gaspé, to conduct "a thorough reassessment of the planned interventions as well as the overall strategy," according to the written message from the ministry sent to contractors.

The two firms that received this message are Groupe SEMA, of Sainte-Flavie, near Mont-Joli, which holds a contract worth \$74.8 million for the refurbishment of nine structures, and Construction Stellaire, of Saint-Augustin-



Éric Dubé is very concerned about the pace of repair work on the Gaspé railway section.

de-Desmaures, near Quebec City. In this case, the contract signed in 2024 with Transports Québec was valued at \$37 million and also involves nine structures of varying sizes. The suspended portion amounts to \$7.3 million.

This letter follows the reclassification of the same rail sector, from Port-Daniel to Gaspé, to "planning" status for budgetary reasons on March 25. Until that date, its rehabilitation was being implemented under the Quebec Infrastructure Program.

Only contracts already awarded were protected when the budget was announced, but 18 days later, 20% of their value was suspended. On March 25 and in the following days, Transports Québec cited significant overruns in the amounts planned after two calls for tenders were published.

These overruns amounted to \$150 million, in addition to the overall budget of \$872 million set in June 2023.

Groupe SEMA president and chief executive officer Rock Morel, was surprised and disappointed to receive the

letter from Transports Québec.

"We weren't expecting it. I haven't seen this approach. We can continue with the remaining work, but we're stopping everything on contracts worth \$13.9 million," says Mr. Morel, who has just over 35 years of experience in the railway industry, SEMA's sole sector of activity.

"I've seen changes to contracts due to structural conditions that weren't as they were during the pre-inspection, but I've never seen that for budget cuts," he asserts.

Faced with the unknown, and the insecurity that the suspension of 20% of work generates within the company, Rock Morel has placed the matter in the hands of the lawyers of Groupe SEMA.

"Even if it's just 20%, it changes the entire planning. Will it (the contract) be canceled after a month? Will the decision take another three, five, or six weeks? There's a huge concern about the workforce. There are so few resources in construction that if workers aren't reassured, they leave. There's a constant bidding war in the construction industry. We have a core team, but all our other employees are hired based on the construction decree. That takes a lot of strength. We have to constantly reassure them," Rock Morel explains.

Construction Stellaire's management prefers not to comment on the situation at this time.

Transport Québec did not respond to a request made by the SPEC on April 17 regarding the partially suspended contracts. However, Simon Carmichael, a journalist for the Quebec City daily newspaper Le Soleil, was able to obtain comments from government politicians. (See article on page six)

**Growing concerns in the Gaspé Peninsula**

Éric Dubé, the president of the Société du chemin de fer de la Gaspésie, is concerned about the partial suspension of the two contracts awarded to Groupe SEMA and Construction Stellaire.

"I don't know what that means, putting part of the contracts on hold. I'm surprised and worried. I don't know the reasons, and there's nothing worse than not knowing. We



The Prével Bridge is one of the structures whose repairs have been entrusted to the SEMA Group. This repair work continues, while three other smaller structures have been removed from active work until May 11.

Photos: G. Gagné

don't know where we're going," notes Mr. Dubé, who has now been at the head of the Société du chemin de fer de la Gaspésie, a municipally-controlled transportation company, for 11 years.

"What I don't understand is that during the week following the budget, we had a follow-up meeting with the people at Transports Québec, and we were told that 'the signed con-

The refurbishment of the railway between Matapédia and Gaspé is an issue that dates back to the 2000s. A major plan to this end was later launched on May 5, 2017. Its final bill, \$872 million, was announced on June 27, 2023, by Transport minister Geneviève Guilbault in Gaspé. The following November, Quebec premier François Legault visited Gaspé to reit-

deadline will not be met, as the two calls for tenders, which came in significantly over budget at the beginning of the year, have still not been reissued.

In the initial calls for tenders anticipated, 22 months of work to complete the project. The opening of a repaired railway to Port-Daniel is planned for this summer, for freight transportation.



Groupe SEMA has been working on the refurbishment of the bridge spanning the Grande Rivière since the summer 2024.

tracts will be honoured.' I fear that the one-month deadline will be used to calculate the compensation for canceling the contracts," adds Éric Dubé.

Rock Morel reports that 25 to 30% of the work listed in the Groupe SEMA's \$75 million contract has been completed. "We plan to complete the contract before the end of 2025," he explains.

Two major bridges, the one spanning the Grande Rivière in the town of the same name, and the Prével bridge on the Percé-Gaspé municipal border, are among the projects included in the SEMA contract and that are maintained.

erate that his government was committed to completing this renovation all the way to Gaspé in time for the fall 2026 elections.

It is already clear that this

The management of the public passenger carrier VIA Rail maintains that it will not resume service between Matapédia and Gaspé until the entire section is operational.