

Construction Alert

A Publication for the Buyers of Construction Services

DATE: October 9, 2007

Volume #9, Issue #3

Kelowna Office

#104-151 Commercial Dr.
Ph: 250-491-7330
Fax: 250-491-3929
E-mail: Kelowna@sica.bc.ca
Website: www.sica.bc.ca

Kamloops Office

908 Camosun Crescent
Ph: 250-372-3364
Fax: 250-828-6634
E-mail: Kamloops@sica.bc.ca
Website: www.sica.bc.ca



SICA At-A-Glance - Regional News

Construction Looking Forward

British Columbia's construction sector is employing a record high number of people, and it isn't going to decline anytime soon.

This and other forecast details were released in the third annual edition of *Construction Looking Forward: Labour Requirements from 2007 to 2015 for British Columbia* at a press conference on Tuesday, June 12, 2007.

The Construction Sector Council (CSC) developed the forecast with input from B.C.'s Labour Market Information (LMI) Committee that includes stakeholders from all sectors of the construction industry. The report provides governments and industry with necessary information for shaping policy, workforce strategies, planning and managing risk within the construction industry.

To view the report, link to: www.sica.bc.ca/CSC_LookingForward_07_BC_v8.pdf

High Performance Building Program - BUILDING FOR PERFORMANCE

High-performance buildings cost less to operate, reduce environmental impacts and are healthier and more comfortable places in which to live, work, and play. And they're proving to be more profitable.

That's why BC Hydro wants to help you join the growing list of industry leaders who have successfully developed high-performance buildings. The Power Smart High Performance Building Program provides incentives and tools to help developers and owners of new large buildings and their design teams create better, more energy-efficient buildings. *Who Qualifies:* The High Performance Building Program is for large new projects that are: at least 50,000 square feet; or electricity-intense facilities such as arenas, refrigerated warehouses or grocery stores.

If you are planning to design and build a new large building in B.C. and want to explore opportunities to create a high-performance building, visit www.bchydro.com/business call 604 453-6400 in the Lower Mainland, 1 866 453-6400 elsewhere in B.C., or contact your BC Hydro representative for more information.

GOLD SEAL – Professional Certification (P.GCS)

Have you been keeping up your professional upgrading activities by attending courses, workshops, seminars, committee work, or contributed to community organizations? If so, you may be eligible for the **Gold Seal Professional** designation. To determine eligibility and to access the application form, visit: www.goldsealcertification.com/dnn/ProfessionalPGSC/GuidelinesforPGSCApplicants/tabid/56/Default.aspx

SICA- At-A-Glance

[Looking Forward](#)
[Bldg for Performance](#)
[Gold Seal Professional](#)
[Transitional Refund](#)
[Current State of BIM](#)
[Nat'l Energy Code](#)
[Forecast Data](#)
[CCDC Myth Dispelled](#)
[Kamloops Planroom](#)

BCCA At-A-Glance

[Planholders Lists](#)
[Audit Tool](#)
[Complex Bids](#)
[Realistic Schedules](#)
[Nuanced Costs View](#)
[BD Rule Clarification](#)

CCA At-A-Glance

[Deconstruction Std](#)
[Gold Seal Update](#)
[Project Efficiency](#)
[GS Guide for Owners](#)
[Infrastructure Progress](#)
[CCA & CaGBC Agree](#)
[Nat'l Water Quality](#)

Kamloops Planroom

The Kamloops Planroom move into temporary space is complete. We are now located at **908** Camosun Crescent.

Energy Conserving Windows, Doors and Skylights: Transitional Refund

The Ministry of Small Business and Revenue is offering a refund on certain contracts involving energy conservation products that, prior to February 21, 2007, were PST exempt. For details of this refund, and to determine if your project may be eligible, please link to: www.sica.bc.ca/energyrefund.pdf

The Current State of BIM

In less than 3 years, Building Information Modeling (BIM) has gone from being obscure to de rigueur. An American Institute of Architects survey asked respondents how long it would be until BIM was an accepted industry standard. The astonishing answer - only two to three years. Why BIM? Externally, client's are demanding faster delivery, the new GSA requirements, the move toward sustainable and energy-efficient buildings, and a competitive global supply markets have all given AEC (architecture/engineering/construction) firms a nudge toward BIM. Internally, "BIM has the potential to better integrate the activities of all disciplines, both within firms and among collaborating firms. The ability to better connect architecture, all engineering disciplines and specialties, in-house estimating, constructability, scheduling, construction management, design-build, and O&M services, provides great advantages to both our industry and our clients." (H. Thomas McDuffie) Some using BIM claim cost savings of 30% or more as well as decreased delivery time! To read more about the advantages and objectives of BIM, please link to: www.sica.bc.ca/bldginfomod.pdf

New National Energy Code In The Works

The National Research Council and Natural Resources Canada are joining forces to update the Model National Energy Code for Buildings "to reflect the current economic, technological and energy policy environment." Scheduled to be published by 2012, the updated code will apply to new buildings. It is intended to provide a single source of minimum requirements for energy efficiency in buildings. The code, however, must be enacted into legislation by the provinces and territories. (Source: Daily Commercial News, July 30, 2007, reported by Patricia Williams)

The Construction Sector Council introduces: www.constructionforecasts.ca/

Construction Forecast Data is now available online and at your fingertips. Customize reports by easily obtaining data from any combination of trades, provinces and other variables.

With a click, this unique industry planning tool delivers sound forecasting and planning data covering up to 10 years, in 31 major construction trades. In mere seconds, a user can determine the availability of a construction trade/occupation in labour markets across Canada.

They can also generate customized tables and graphs on a broad range of selected categories within sector, trade or province. With another click the data is converted to any of a variety of chart formats.

www.constructionforecasts.ca is...

- **convenient**, eliminating hours of sifting through reports and trade publications and enabling rapid response to medium and long term needs
- **comprehensive**, assisting the preplanning process with consistent labour market and economic information for all users, industry wide
- **simple to use**, providing a glossary, FAQ and easy to follow guides and suggestions

The **Forecast Quick Picks** feature instantly presents the most frequently accessed

Same building, just closer to the other end.

Gold Seal Committee Develops Guide for Owners

The CCA National Gold Seal Committee is developing a Best Practices Guide for owners who wish to use Gold Seal certification as a condition of contract on their construction projects. The intent is to ensure that contractors can respond to such measures in an effective manner.

CCA Concerned about Progress of Infrastructure Agreements

CCA has written to the Federal Minister of Infrastructure, Transportation, and Communities urging the Federal Government to do all it can to expedite the finalization of the necessary implementation agreements with provincial governments to allow for the flow of federal infrastructure dollars under new and renewed federal infrastructure programs.

CCA Reaches Agreement with

data in the most common categories such as construction investment, employment and the economy.

Courtesy BCCA-North

[Dispelling the Myth That CCDC Is Contractor Driven](#)

Special thanks to Rambow Mechanical for hosting the CCDC on Monday, Sept 10th. It was an opportunity for Contractors, Consultants, and Buyers of Construction Services to learn that of the 18 member CCDC Committee only 4 are contractors – clearly not the majority. CCDC spends lots of volunteer hours creating the many forms of widely used contract documents. Remember, these documents are created to ensure fair and equity for all partners to the contract! For info on the documents available, link to: www.ccdc.org/docs/docs.html

[Return to Top](#)

BCCA At-a-Glance - Provincial News



[The Importance of Planholder Lists](#)

Why is it that accessing Planholder Lists is so important to the construction industry? It is because they are an expedient resource to bidders and suppliers. These businesses rely on this information for the life blood of their procurement world and are a mainstay of the way they do business. The Lists provide these businesses access to the information about who is bidding from one reliable source. If these businesses had to scour the industry looking for who was bidding it would be a time consuming and not always fruitful exercise. Planholders Lists that are collected at the Construction Associations are a centralized and efficient method of gathering information. To read BCCA's full March Construction File on this topic, please link to: <http://www.bccassn.com/documents/ConstrFile0307.pdf>

[BC Government Introduces Capital Procurement Audit Tool for Capital Asset Management Framework](#)

Recently, the BC Government issued its Capital Procurement Audit Tool developed to assist government ministries and agencies in adhering to the existing policies and standards that are set out under the Capital Asset Management Framework, published in 2002. In the Framework, Part 8 Capital Procurement, it set out the government's policies and standards and advised that additional tools were being developed. The document can be found at www.fin.gov.bc.ca/tbs/camf_guidelines.pdf

This Audit Tool will serve several purposes: it provides detailed guidance to agencies undertaking capital procurement, and, it will assist government in assessing the adoption of capital procurement best practices across ministries and agencies, and in adhering to provincial capital procurement principles, policies and guidelines and inter-governmental trade requirements.

All public sector agencies are expected to immediately begin using the audit tool as a means of assessing adherence to provincial procurement policies. Audits may be carried out by Ministries responsible for public sector agencies, the Ministry of Finance or independent bodies.

The Audit Tool is based on the principle that taxpayers are best served through competitive procurement processes which are well-structured, objective and inclusive. Bidders will be more likely to participate, and there will be more competition, where the selection process is clear and well understood.

To read more, please link to: www.bccassn.com/documents/ConstrFile0807.pdf

[Complex Bids: An Industry Challenge](#)

Lowest price often not achieved when owners request too much information

Some closings are more challenging than others and one situation which Brian

Canada Green Building Council

On January 2nd of this year, CCA became the very first association to become a member of the Canada Green Building Council (CaGBC) under the Council's new associate member category. CCA has finalized a Memorandum of Understanding (MOU) with the CaGBC by which both organizations agree to work together in the areas of education, advocacy and lobbying, associated with sustainable building. It also calls for the proposed accreditation of LEED for Contractor courses under the Gold Seal Certification Program. CCA has also negotiated a partnership agreement with the CaGBC covering such matters as the costs and responsibilities associated with the joint delivery of "LEED for Contractors" courses by CCA Member Associations and the CaGBC.

CCA's action here should not be construed as an endorsement of the LEED-rating system. CCA took this action to ensure that it can influence the on-going evolution of this popular rating system, while at the same time making sure its members have the

Morley, president of the General Contractors Association of Ottawa, says happens about 10 to 15 per cent of the time is when owners and consultants ask for far more detailed information than they reasonably require at tender closing time.

Inevitably, this situation creates problems. "A complicated tender invariably leads to disqualifications, misinterpretation and can be used to manipulate the bids," says Clive Thurston, president of the Ontario General Contractors Association. It also leads to a higher instance of mistakes or incomplete bid forms from the bidding contractors.

General contractors believe it is unfair for owners to use the detailed line item information to play one general contractor off against another. The requirement for too much information at the time of closing is difficult to provide as numbers come in quickly – often with only minutes to spare. This requirement can lead to inaccurate information and fails to consider the real indicator -- the lump sum price.

"The owners think they are reducing their risks, but in fact they are increasing them," said one contractor. "The detailed documentation simply increases the chance for error and disqualification of what would truly be the best bid."

General contractors acknowledge there are certain circumstances where more complex bidding information is justified, and these points are acknowledged in the Canadian Construction Documentation Committee's document 23, "A Guide to Calling Bids and Awarding Construction Contracts".

The complication arises both if there are too many subcomponents, and if this information is used to unfairly play off contractors against each other. As well, the possibility of error and non-compliance within contract documents increases, thus increasing the risk of disqualification and causing, contractors say, them to either bid higher than they otherwise would, or decline to submit a bid -- thus preventing the owner from obtaining the best price.

To read the entire article, please link to: http://www.bccassn.com/documents/bullet141_000.pdf

By Mark Buckshon, President, Construction News & Report Group of Companies

Implementing Realistic Schedules

The industry is running at full out capacity and looking to a future of much the same, and the heightened demand on industry resources, especially skilled workers, is impacting how business is done. Schedules that were reasonable five years ago are no longer achievable. It is important that those that procure construction services understand the change in scheduling requirements in order to create more realistic project timelines.

On behalf of the industry, BCCA is doing what we can to help improve the time lines on projects by assisting the contractors with finding the skilled workers they need. In partnership with our regional associations, other industry agencies and government, we are using a substantial amount of our energy in assisting the contractors with finding the skilled workforce they need to do the work. We have had tremendous success with some innovative thinking and creative strategies that are new to our industry. Our successes are even inspiring other sectors to consider similar models.

We are contemplating and implementing innovative ways to find skilled workers for the workforce needs of today and looking to the future construction workforce for BC. In the mean time, it is important that everyone involved in the construction process is realistic about the capacity of the industry today.

To read more about BCCA's skilled worker programs, please link to the full article: <http://www.bccassn.com/documents/ConstrFile0507.pdf>

Taking a "Nuanced View of Costs": Continental Steel Ltd. v. Mierau Contractors Ltd.

necessary information to remain competitive.

CCA to Lobby for National Water Quality Standards

The CCA Road Builders & Heavy Construction Council passed a motion adopting recommendations that would see CCA lobby for national water quality standards for municipalities that would also extend to aboriginal reserves. Furthermore, CCA plans to lobby for a stand-alone water infrastructure fund and the renewal of the \$1.9 billion water infrastructure fund for aboriginal reserves that is set to expire in 2008.

Excerpts from an Article by John Logan and Wes McMillan of Jenkins Marzban Logan LLP

On May 23, 2007, the BC Court of Appeal unanimously overturned the trial decision in *Continental Steel Ltd. v. Mierau Contractors Ltd.*

In putting together its bid, Mierau invited bids from subcontractors, including steel erectors. Continental submitted a compliant bid of \$233,771. Another bidder invited by Mierau, PMC, submitted a compliant bid through the Bid Depository of \$239,000, exactly \$5,229 more than Continental's bid. The invitation sent by Mierau to Continental, as well as the Bid Depository Rules, clearly indicated that Mierau was not obligated to accept the lowest bid. Mierau decided to carry PMC's bid and nominated PMC as Mierau's steel erector. Mierau made the decision based on three past experiences with Continental.

Continental sued Mierau, essentially saying that Mierau treated Continental unfairly because there were no valid reasons for preferring PMC over Continental. Mierau defended on the basis that it had the right to accept the bid which represented the best overall value to Mierau (not necessarily the lowest number), that Mierau thought PMC's bid represented the best value, and that accordingly it had not treated Continental unfairly.

The Decision at Trial: The trial judge concluded that Mierau had treated Continental unfairly because Mierau's concerns were, in the opinion of the trial judge, unjustified. Mierau appealed to the British Columbia Court of Appeal.

The Decision of the Court of Appeal: The Court of Appeal found that the evidence as a whole did not support the conclusion of the trial judge, and that the trial judge did not apply the proper test in determining whether it had been proven that Mierau did not act fairly.

This case confirms that courts should not lightly interfere with the business judgments regularly made by tendering authorities in taking a "nuanced view of costs". It also appears to confirm that, absent bad faith or arbitrariness, a tendering authority does not have to be right (about any concerns it may have with a bidder) to be fair. The construction industry is fortunate that Mierau, in a case not involving a great deal of money, decided to pursue the Appeal. The decision to do so was made largely as a matter of principle and was made in part for the benefit of the construction industry in British Columbia, of which Mierau is very proud to be a part.

To read more details of this decision, please link to:
<http://www.bccassn.com/documents/bullet142.pdf>

[Rule Clarification 8.0 for MasterFormat 2004](#)

The Bid Depository Committee has authorized the publication of a [Rule Clarification 8.0 for Using MasterFormat 2004 with the Bid Depository Rules of Procedure](#). The Rule Clarification 8.0 can be found on the BCCA website (www.bccassn.com/rules.html) separately and as well with amended Rules, which include the additional references to the Rule Clarification and the Rule Clarification itself.

[Return to Top](#)

CCA At-A-Glance - Federal News



[CCA to Participate in Deconstruction Standard Process](#)

CCA has been asked by the Canadian Standards Association (CSA) to participate in the development of a new standard for the deconstruction of buildings - CCA has agreed to provide a representative to this process. The new standard would put a heavy emphasis on the recycling and reuse of building materials, and would play a major role in supporting and promoting the sustainability of buildings. With 25% of total landfill waste originating from building construction and demolition, it is important that the construction industry take a more proactive role in finding ways to reduce the

waste it generates. In addition, this standard could be promoted as a way of achieving relevant credits in building rating systems such as LEED, and may be available for greenhouse gas emission reduction credits, given the large amount of greenhouse gases released from landfill sites.

This standard, which is expected to take until mid-2009 to develop, will be available for use by groups with a mandate to minimize construction waste, including, but not limited to municipalities, designers, building owners, and contractors. It will be a voluntary standard, and will be maintained and updated over a five year period following completion.

Gold Seal Update

The Gold Seal certification is growing in popularity. 2006 saw a 50% growth in applications, and forecasts for 2007 signal over 100% increases from 2005. Employers are seeing more evidence of the use of Gold Seal in contract requirements, but are also using their company management qualifications as an effective marketing tool.

At a recent Canadian Construction Association meeting the Board of Directors approved a new guideline for owners, entitled “**Standard Practices for Reference to Gold Seal Certification as a Condition of Contract.**” CCA Chair Raymond Brunet noted that “This is a very positive step forward for the construction industry. We’re seeing reference to Gold Seal in an increasing number of contracts, and we need to promote a fair and balanced approach from owners.” The document provides guidelines around advance notification, phase-in period, location and role of the Gold Seal certified manager and minimum contract values. The document can be found on the Gold Seal website at www.goldsealcertification.com.

See the new Gold Seal website at www.goldsealcertification.com for full program information, application forms and Gold Seal clothing and merchandise.

Focus on Management Skills to Boost Project Efficiency

At the beginning of May, Board members of the Calgary Construction Association heard two diverse presentations related to the same topic – project efficiency.

A team of researchers from the University of Calgary noted that companies can realize up to 10% gains in labour and tool productivity by improving communications from company executives to project managers, to superintendents, to job teams.

This was followed by a presentation on the CCA’s Gold Seal Program, which emphasizes the so-called “soft skills” of Project Managers, Estimators, Superintendents and Safety Coordinators: **leadership, management and communications.**

Most Gold Seal applicants are required to undertake a minimum number of ‘special industry courses’ which can be obtained from colleges, universities, construction associations, unions and private deliverers. Among the thousands of applications to date there is a very strong emphasis on communication courses, including negotiation skills and effective business writing.

Dave Smith, Executive Vice President of the Calgary Construction Association, commented on the trend. “Construction managers tend to focus on the technical skills as they come up through the ranks. There’s no doubt that companies are seeing the need for more sophisticated people skills – and the excellent research being done at the University of Calgary points to a direct link between these and project success. Gold Seal fits perfectly by encouraging better management, improved professionalism, and higher productivity.”

[Return to Top](#)