



Construction & Design Alliance of Ontario

Association of Registered
Interior Designers of Ontario
www.arido.ca

Consulting Engineers
of Ontario
www.ceo.on.ca

Heavy Construction Association
of Toronto
www.hcat.ca

Mechanical Contractors
Association of Ontario
www.mcao.org

Ontario Association
of Architects
www.oaa.on.ca

Ontario Association
of Landscape Architects
www.oala.ca

Ontario Electrical League
www.oel.org

Ontario General
Contractors Association
www.ogca.ca

Ontario Home
Builders' Association
www.ohba.ca

Ontario Road
Builders' Association
www.orba.org

Ontario Sewer & Watermain
Construction Association
www.oswca.org

Ontario Society of
Professional Engineers
www.ospe.on.ca

Residential Construction
Council of Ontario
www.rescon.com

Residential and Civil
Construction Alliance
of Ontario
www.rccao.com

Surety Association of Canada
www.suretycanada.com

April 22, 2020

Honourable Rod Phillips
Minister of Finance
Chair, Jobs and Recovery Committee
Frost Bldg S, 7 Queen's Park Cres
Toronto, ON M7A 1Y7

Dear Minister Phillips:

RE: Ontario's Post COVID-19 Economic Recovery – Construction Industry

The members of the Construction and Design Alliance of Ontario (CDAO) would like to provide you and the Jobs and Recovery Committee with specific recommendations for consideration as part of the Province's post COVID-19 economic recovery.

The member organizations of CDAO plan, design, build, operate, and maintain the vast majority of public and private infrastructure in Ontario. Collectively, our member companies employ hundreds of thousands of workers and account for billions of dollars of local economic development and growth.

We would like to commend the Government of Ontario for its leadership to date in addressing the impacts of the COVID-19 pandemic and taking an inter-Ministerial approach to address these efforts. The CDAO appreciates the government's responsiveness to industry concerns, including the recent decision to remove the suspension of limitations impacting the *Construction Act*, restoring standard industry practice for the release of holdback funds.

CDAO would also like to commend this government's commitments to ensuring the Occupational Health and Safety concerns of workers employed in essential workplaces remain to be protected in order that they can continue to provide the much needed services that we rely on a daily basis. As such, CDAO was proud that our member firms worked collaboratively with our government and labour partners to establish and implement the new COVID-19 protocols in the Construction industry.

As the Province continues to address the health and safety of Ontarians and begins to chart the economic path forward, there are seven main recommendations that should be considered for Ontario's construction, design and professional services (broader construction) sector. These include the government providing clarity on its intent on what the economic recovery looks like for Ontario; the need for synergies between the federal, provincial and municipal governments; and the importance of addressing risk management and accommodation in contracts, tenders and project proposals going forward.

The CDAO wishes to be clear about the context in which it offers its proposals for consideration to the Committee. Without question, public health and the health and safety of workers and their workplaces must be paramount. It is our collective opinion that an economic remobilization and recovery is pointless if it comes at the expense of the people it is meant to help.

The CDAO also recognizes that any decision the government makes for remobilizing the provincial economy will be subject to satisfying several fundamental criteria. These include, but are not limited to; a sustained decline and ultimate absence of new infections, continued widespread public testing and contact tracing, a gradual reopening of the broader Ontario economy with timed emphasis on specific sectors, coordination of different sectors, and the support of the public.

Recommendation 1: The Government should develop a comprehensive project investment pipeline document, similar to that of the Infrastructure Ontario P3 Market Forecast, which is informed by existing regulated municipal asset management plans. Such a document would help to ensure proper preparation of market resources to maximize industry's response and to help expedite the funding of prioritized projects.

The existence of municipal asset management plans will facilitate the prioritization of early works. Projects identified in these plans have been previously vetted and planned for at the municipal level. They have helped municipalities to stage projects in a way that meets their demands for efficient growth and prioritize projects based on need. By utilizing these plans to select projects for investment, the province will be able to reduce the application timeline, and by encouraging the federal government to also utilize these criteria, investments can be made expeditiously, without the lag-time experienced in past programs that required the federal application and selection process.

Recommendation 2: The Government should work with industry to establish proper sequencing, scheduling and preparation of market resources (which can be sufficiently marshalled and coordinated to maximize and streamline industry's response to the Province's needs).

A core component of Ontario's recovery from the current pandemic will be the thoughtful, informed and efficient remobilization of key sectors of the provincial economy. Ontario's broader construction sector will be an essential element of the government's economic recovery strategy and our collective transition back to normalcy and prosperity.

As all governments remobilize, we believe that success will be contingent on orderly and deliberate execution. To be successful, reliable and accurate information will be essential. Queen's Park will need to clearly signal its intentions to the market so that businesses have a clear line of sight into, and understanding of, the objectives and expectations the government wishes to achieve.

Having greater clarity will enable the market to be better positioned to adequately prepare and mobilize its resources to efficiently and effectively partner with government on the proper projects in the proper sequence and with the necessary and varying degrees of urgency and intensity depending on specific needs. If the economy is thought of as a system of interconnected pieces, each playing a role to sustain Ontario, then those pieces need to be brought back online in the right order and gradual intensity until the system can ultimately sustain itself.

We propose the restart of the broader construction sector be approached in two phases each with their particular purpose. The first phase is envisioned to address short- and medium-term infrastructure needs and projects.

These structural investments represent the design and construction projects that are already contained in current budgets and programs that can be quickly readied and executed utilizing available funds. The second phase would address longer term needs and emphasize more transformational investments.

What cannot be stressed strongly enough is the importance and disproportionately significant impact of detailed, unambiguous and accurate communication of government intent. Ontario's broader construction sector is a system with different actors providing services that must be properly considered and coordinated in order to support the successful design, execution, and completion of projects.

Only with a clear understanding of the government's intended actions; in particular sectors (ICI and residential), with particular projects, on a particular timeline and varying degrees of urgency can the market sufficiently prepare to meet these expectations all the while maximizing the value of its resources and the return on investment to the public.

Recommendation 3: Applying best practices for coordinating project investment and approvals will assure that the construction and design sectors are operating efficiently and that the investments are being made strategically.

One of the most important components of economic recovery will be the restoration of government investment in public infrastructure. These investments have the dual effect of generating jobs and enhancing prospects for future sustainable growth, both of which will be critical for economic recovery at both the municipal and provincial levels.

Getting projects to market as prudently as possible is important, as these investments will create and immediate economic 'kick-start.' The Government of Ontario has learned valuable lessons in this coordination process over the last decade, coming out of the 2009 federal Infrastructure Stimulus Fund and subsequent federal and provincial infrastructure investment programs. Moving forward, it will be important to apply these lessons to ensure the application process for funding and project selection are familiar and straightforward, as well as to ensure that municipal approvals are streamlined to ensure projects can launch as quickly as possible.

Recommendation 4: A legislated provision for accommodation (time and compensation) should be inserted into all construction and professional services contracts where the effects of COVID-19 might result in failure to perform or delay, including workforce and supply chain considerations. This could be performed under the *Emergency Management and Civil Protection Act*.

Without fair and reasonable contract accommodation provisions, the broader construction industry faces double jeopardy: required to mobilize or carry on notwithstanding the present and lingering effects of an unprecedented pandemic, while potentially faced with contractual penalties, liquidated damages and the ostensible need to mitigate where operational mitigation may not be reasonably achievable.

It will be extremely difficult to assess the impacts of the enhanced health and safety measures, quarantine restrictions and social distancing protocols over the life of a project. These impacts include labour, insurance and bonding and supply chain and project sequencing considerations.

Additionally, such a provision would prevent the necessity for a contractor or professional services provider to carry a significant risk contingency in its bid or proposal to cover the unknown and unqualifiable risks associated with the pandemic.

It will be particularly difficult for proponents to maintain competitiveness during these uncertain times, and we encourage the province to ensure a level playing field for construction contract bids and professional services proposals, which will, in turn, result in the best value for tax dollars.

In order to ensure that reasonable provisions are made to provide fairness to industry in terms of both time and additional cost incurred, it is necessary for there to be a clear statement of policy, supported by a commitment to future contractual, statutory and/or regulatory measures which would address how the Government of Ontario will promptly and expeditiously treat delays, disruptions and other COVID-19 related time and cost impacts on current and future contracts.

Recommendation 5: Following the lead of the provinces of Quebec and British Columbia, reopen the critically time-sensitive and largely sequestered earthworks and site servicing of private land development sites.

This work is very safe, being performed primarily by operators in isolation in heavy equipment and can respect the required physical distancing protocols due to the nature of the work. It is crucial to perform this work early in the construction season, as this work is necessary prior to any structural construction work taking place on new projects.

By loosening these restrictions, the government will be ensuring that private sector investments, and employment in the construction and design sectors, have the capacity to return to pre-crisis levels as quickly as possible upon the reopening of the economy. It allows for the more isolated construction jobs to restart; it provides needed revenue to municipalities; it increases private investment capital into the economy; and, it creates the conditions that will allow for many more construction jobs to be initiated once the industry has been fully reopened.

Recommendation 6: Now is the time to invest in predesign and design activities. As a precursor to development and construction, design plays a critical role in preparing projects for permit and construction. If the government invests in predesign and design activities now, then Ontario can hit the ground running once it is safe to do so.

This will provide opportunities for the construction jobs that will help to quickly rebound our economy once we have emerged from the COVID-19 crisis. This is timely as predesign and design work can be safely done without risk of spreading the disease. There are many projects that were identified before the pandemic hit Canada, which are currently on hold waiting to move forward. Now is the time to move those projects forward, so that the planning, design, and pre-construction work can take place to ensure shovel-ready projects are in place once the current crisis is over.

Recommendation 7: On-Going Development of COVID-19 Health and Safety Protocols and Increased Inspection and Enforcement on active worksites.

CDAO members are proud of the significant investment we make to keep our sites and workers healthy, safe and well. We addressed the sudden introduction of COVID-19 into the province by developing new procedures and standards to ensure all workplace parties remained safe. We collaborated with our labour partners to jointly develop new H&S protocols that were sent to the Chief Prevention Officer and were soon endorsed to become the Standard that was issued by this government on March 29th, 2020.

Once the government is ready to phase in new worksites and our industry is permitted to expand construction related activities, we will ensure that the enhanced processes and procedures are in place to maintain healthy and safe sites. Clear direction, support and ongoing enforcement from the Ministry of Labour Training and Skills Development is required for this to be achieved.

We will continue to meet the high standards of care to limit exposure to our workers, and will continue to invest in the health, safety and wellness of everyone involved.

With the collective weight of our membership-based organizations, the CDAO has a keen understanding of the issues facing the design and construction sectors during the COVID-19 pandemic across the province at both the provincial and municipal levels. Our members hold a wealth of knowledge about how legislative, regulatory, and policy issues could impact the actual design and construction of critical infrastructure across the province, especially as the economic recovery begins. CDAO is working with its members to provide further details on the proposed recommendations contained in this letter and we will follow up shortly with an additional document.

In the meantime, please do not hesitate to contact Saskia Martini-Wong (416-200-2102 or smartiniwong@associationperformance.ca) at the CDAO office if you have any questions.

Sincerely,



Sandro Perruzza
Chair, CDAO &
CEO, Ontario Society of Professional Engineers (OSPE)

CDAO Member Associations Include:

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Copy To:

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Patrick Sackville, Director of Policy, Major Projects and Partnerships, Office of the Premier of Ontario

Daniel Gordon, Director, Budget and Fiscal Planning, Office of the Premier of Ontario