



To: Board of Directors

From: Rod Gilbert

Date: June 9, 2024

Subject: NAC update reports

On May 7 – 8, CCA’s five National Advisory Councils (NAC) met virtually for the spring meeting. It was an opportunity for new members to meet with their Council colleagues after their appointment at the pre-business meetings held at the CCA Annual Conference. Below are some meeting highlights.

Governance review:

At the last meeting of NACs, each council were provided a brief update on the governance review process, set to commence shortly after the Board meeting in June. It was explained that the new CCA model has been functioning effectively and that feedback from members and LCAs has been positive. Nevertheless, periodic governance reviews are a standard best practice for any organization to follow. The goal is to fine-tune the model to ensure good engagement and relationships with our partners.

NAC sub-committees and working groups:

Civil NAC:

- Council members discussed CCA’s reaction to the 2024 Federal Budget. While a federal housing strategy was announced, much remains to be done.
- CCA has aligned its advocacy to the current federal government agenda. While the workforce shortage remains a key issue, housing affordability and the need for infrastructure are on everyone’s mind.
- The chair shared that housing-enabling infrastructure, workforce shortage and procurement modernization will be discussed at the annual “Meech Lake” joint meeting.
- CICC Chair, Brad Scott, provided an update on the CTIP campaign, saying it is dormant until the end of summer, after which CICC will reassess potential future activity and the plan forward. The website and social media channels remain active and are managed by Prospectus.
- NAC members provided feedback on local priorities. Key topics were the labour shortage, road infrastructure investment, sustainability and the Clean Hydrogen Investment Tax Credit, project delays, educating owners, and the election campaign.

Local Construction Associations (LCA) NAC:

- The LCA NAC sub-committee on workforce decided to concentrate on the industry’s recommendations regarding what the federal government needs to change to effectively tackle the challenges surrounding immigration as a means to address workforce shortages in the construction sector.

Manufacturers, Suppliers, and Services (MS&S) NAC:

- Tech Sub-committee:

Sub-committee chair Craig Hurst shared the “Technology webinar series outlines for 2024 dates” document with the MS&S NAC members. He noted that there were three webinars scheduled for 2024:

1. "Tech-savvy building: Enhancing construction business through digital literacy"
 - a. Anticipated delivery date: Thursday, June 20, 13:00 (ET)
2. "Building the future: AI in construction today and tomorrow"
 - a. Anticipated delivery date: Thursday, September 19, 13:00 (ET)
3. "Smart selections: Choosing the right construction software for your business"
 - a. Anticipated delivery date: Thursday, November 21, 13:00 (ET)

He advised that the committee was also expanding its membership, with Hammad Chaudhry, VP of Innovation & Construction Technology at EllisDon, joining the group. Further to the notes from the last meeting, Craig also reiterated that the committee was working closely with the General Contractors NAC, who had done substantial work on developing strategies regarding AI, to create best practices in construction.

The committee also reported that there will be a presentation broadly addressing the issues of tech adoption and AI at the Newfoundland and Labrador Construction Association on Thursday.

General Contractors (GC) NAC:

- **Update from Sub-committee #3 – Construction Playbook – PEER REVIEW**

The Sub-committee Chair did a walk-through of the documentation. The initiative came out of meetings with MPs at the 2023 Hill Day, where the MPs asked for documentation about risk transfer when questioned about what can be done to balance the risk. The sub-committee is aiming to have a draft ready for approval at the CCA Board meeting in September.

- **Update from Sub-committee #4 – Supplemental Conditions**

Bruce Thomas was asked to provide an update in the absence of the Sub-committee’s Chair, Mike Wieninger. The article was written to follow the flow of a CCDC and CCA contract. It was said that it could complement the “Bid Go or No Go” bulletin from the Trade Contractors NAC.

Industry practices documents:

Trade Contractors (TC) NAC:

The TC NAC “Bid Go or No Go” bulletin, including the feedback provided by the GC NAC was approved and will be sent to the Board for approval.

Roundtable national and local issues:

- Several LCAs noted that their members are experiencing a lack of transparency from the owners and felt there is a need for more accountability. For example, the removal of Contract A in tendering is particularly problematic.
- There is a growing trend with government agencies putting additional pressure on the industry by making large promises and announcements without proper consultation (e.g., housing crisis).
- Pre-fab and modular construction is growing in popularity, especially in Northern Canada. Pre-fab occurs in a major city and then is assembled up north. This is not just an option for large firms. There are some concerns over risk allocation and payment – according to CCDC 2 you need supplemental conditions in the contract (i.e., if a company has something in a shop for six weeks – does payment only occur when the product is delivered on-site?) There needs to be some sort of component tracking to tie-in to progress that is consistent across the board.
- Delays on collaborative development projects – sometimes 30 per cent longer than traditional builds.
- Ontario's Construction Act and mandatory bonding – with projects growing in size, the 50 per cent bond requirement is very onerous. In P3 projects, the language allows for some flexibility, but not so in non-P3 projects, however, a range of possible bonding levels are now being considered.
- Prompt payment was discussed in most councils as we are moving toward full implementation at the federal level, while more provincial jurisdictions are looking into it.
- It was also reported that there is a growing trend in BC towards the removal of Contract A. Several council members offered to investigate this issue and return with feedback at the next meeting.
- Labour shortage: Training support and immigration (TFW) remain essential. LMIA needs work. Programs to get students (now high school level) to be trained to use heavy equipment. Using simulators in BC has been very positive. Federal-to-provincial funds also supported courses (Roadbuilders 101).
- Infrastructure: The funds from the Invest in Canada Plan were not fully used and should be considered a failure. LP Champagne will seek an update on the plan. The federal budget felt flat on road infrastructure investment.
- Project delays: Several projects are announced and initiated prematurely, lacking adequate preparation, leading to frequent delays due to outdated cost estimations.