

CONSTRUCTION COMMENT

The Official Publication of the Ottawa Construction Association • April 2020

AGM 2020

COVID-19 information
and resources

'Taking a holiday
from history'

Introducing DCC's
new CEO

Need Occupancy?



Feel a firestop migraine coming on?
Get the Aries remedy.



A tailored approach to risk management.

At Gallagher we tailor risk management solutions and provide insurance and surety portfolios that respond to the changing needs of our clients.

Our commitment to the highest service standards makes it easy for you to do business with us.

For more information contact us at:

IBAM.construction.team@ajg.com

613.238.4444

ajgcanada.com

© 2018 Arthur J. Gallagher & Co.
Arthur J. Gallagher Canada Limited



Gallagher

Insurance | Risk Management | Consulting

NEED A BOOST?

► GOOD CALL 1-800-315-COOP





Editor:
James Raiswell

Editorial coordinator:
Angela Tristram

Publisher:
John DeVries

Contributors:
Edith Duarte
Anthony Imbresi
Dan Leduc
Paul Spare

Photography:
Marilyn Mikkelsen
Ralph Plath

Design and Layout:
Raymond Leveille

On the cover:
On site at 151 Slater Street
Photo by Ralph Plath

Construction Comment
is published by
The Ottawa Construction Association
9 Antares Drive,
Ottawa, ON K2E 7V5
Tel: (613) 236-0488
Fax (613) 238-6124
www.o.ca
E-mail: editor@o.ca

*Subscription inquiries and letters
to the editor can be directed
to the address above.*

Canadian Publications Mail Product
Sales Agreement: 40583512

*Return Undeliverable Canadian
Addresses to:*
The Ottawa Construction Association,
9 Antares Drive, Ottawa, ON K2E 7V5

© 2020 Ottawa Construction Association
All rights reserved. The contents of this
publication may not be reproduced by any
means, in whole or in part, without prior
written consent of the publisher.

INSIDE APRIL 2020



COVID-19 SPECIAL COVERAGE – PAGES 18-25

20

**WSIB services during
the COVID-19 pandemic**



22

**Looking forward: your new normal,
COVID-19 and bidding**



24

**Eight tips for staying mentally healthy
during the COVID-19 outbreak**

25

**BDC to provide working capital
support for entrepreneurs**



28

OCA annual general meeting

- OCA reports successes in 2019
- OCA committee highlights
- ‘Taking a holiday from history’



34

**DCC CEO emphasizes
innovation**



36

**OCS reports greater optimism
among contractors**



REGULAR FEATURES

- 4** Editor's Comment
- 5** Chairman's Comment
- 6** This Month's Numbers
- 10** Safety Comment
- 12** Legal Comment
- 13** Financial Comment
- 14** News in Brief
- 26** Around Ottawa
- 38** OCA & You
- 42** Guess the Photo



James Raiswell, Editor

My COVID-19 observations

Wow.

I'm not sure there's much more that can be said about what we've all seen and experienced over the past four or five weeks. Just: wow.

Amid all this talk of social distancing, self-isolation and essential services, a few things have crystallized in my mind. Indulge me for just a moment.

The first is that I'm overwhelmed with the speed at which information is flying at us. I'm sure I'm not alone. It seems that there's something new to add to this evolving story every day, and—speaking from a purely selfish perspective for just a moment—it's playing havoc with my job of reporting current information. It feels as though the minute we publish something to our Link2Build.ca news site, new data comes along to turn the story upside down. It's hard to keep up.

That said, some perspective on information overload is important. Yes, it's a good idea to stay current on the spread of the virus, but moderate your intake. Limit your information exposure to only small pieces every now and again, and consume news only from sources you trust. Yes, the CBC is a good authority for news; no, your friend Sally in Des Moines is not.

My second observation: I'm genuinely pleased with the work our governments are doing to keep us all as well informed as possible during the pandemic. Say what you will about Doug Ford and Justin Trudeau, and I'm not inviting political discussion here, I'm impressed by how both have got out in front of this pandemic as much as possible, and are

clearly doing everything within their powers to ensure as many businesses as possible remain open and as many people as possible who are unable to work are receiving compensation.

Disagree if you like, but if you feel strongly that our governments aren't doing enough, or have taken entirely the wrong approaches to managing their affairs, I'll remind you that any of us could be living in the United States right now.

The final word I'll say is that, like many of you, I'm relieved to see at least some construction sites remain open. Our industry has proven time and again that it is an essential service, and in times such as these when people depend on good housing, clean hospitals and safe roads to be built and repaired, that sentiment rings even truer.

That alone, however, does not give anyone carte blanche to neglect the fundamental health and safety of their workers. Keep doing everything in your power to make sure these men and women are well taken care of. Construction is a dangerous enough business on the best of days. No one needs to go to work under a cloud of worrying about also contracting this virus.

We're pleased to offer what information we can in this issue about how to help steer your company and your people through these crazy times. More information—and more current information—is available on the OCA website. Check often and subscribe to our regular newsletters.

Be well. Stay safe. And keep washing those hands!

Thank You From



Providing MOHR Value Since 1960



T: 613.838.5042 www.goldiemohrltd.ca



Danny Dillon,
OCA Chair

An opportunity to make our businesses stronger

The challenges being forced upon us by the current COVID-19 crisis will undeniably result in the emergence of valuable innovative work practices that we should continue to leverage even once the pandemic has passed. As employees work from home and in-person meetings are not advisable, a clear communication plan has become a vital part of everyone's daily schedule. We must develop an alternate plan to continue to communicate regularly. Team communication, client communication and company-wide communication should all be included in this plan.

Daily team check-ins can be used to bring focus to priority items, clarify roles and responsibilities, and ensure that all the necessary resources are accessible. Doing this by video conferencing can be efficient and effective and can help team members feel aligned, connected and supported by one another. Having a structured approach for these check-ins can be useful in order to provide a simple, consistent format to follow. Today's best and most current teleconferencing tools such as Microsoft Teams, Zoom or FaceTime to name a few can be used to achieve this.

As well, not being able to meet with our clients face to face has highlighted the importance of our need to connect with them. Businesses can establish new lines of communication with clients that can be built into everyday best practices.

On a company-wide basis, the use of email can provide up-to-date information. Employees can rely on this consistent channel of information for accessing clear, accurate information affecting critical aspects of the business's operations.

A company's ability to withstand the stress of this unprecedented situation can depend on its ability to make use of all available resources and tools. The goal is to ensure continued safe and smooth operations and to work towards providing quality products that are aligned with the expectations of clients.

As Winston Churchill once said, we should never waste a good crisis. This current crisis presents us with an opportunity to make our companies stronger. Better communication planning is surely only one of those opportunities.



60
YEARS

**OF CONSTRUCTION
HISTORY.**

SINCE 1954

- CONCRETE WORK
- FORMING
- CONCRETE FINISHING
- CONCRETE PUMPING
- RESTORATION
- MASONRY

INDUSTRIAL – COMMERCIAL – RESIDENTIAL

www.bellai.com

Tel.: (613) 782-2932

Fax: (613) 782-2931

Member of the Ottawa Construction Association



COMMERCIAL
INDUSTRIAL
DESIGN-BUILD

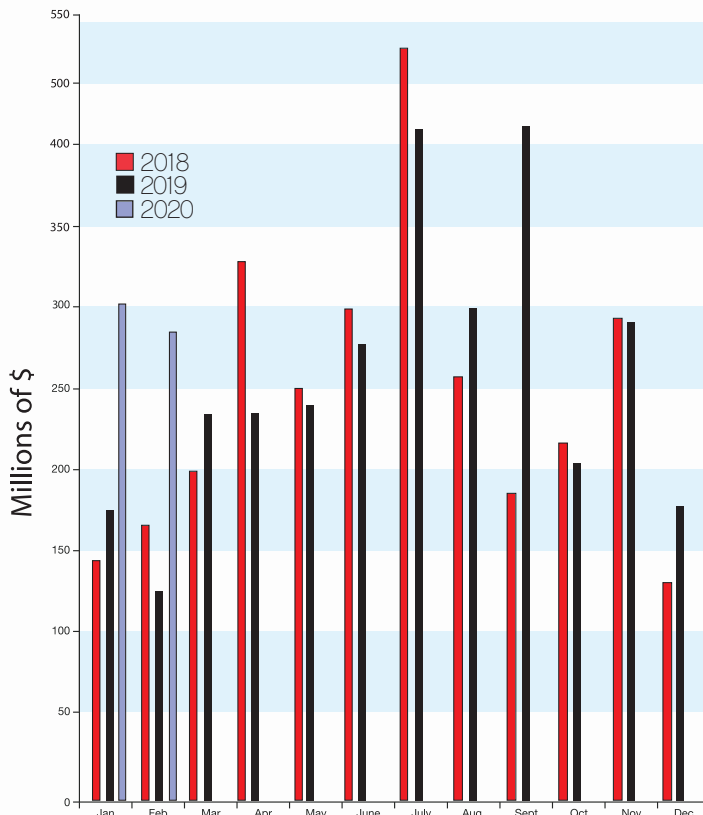
3038 Carp Road, Ottawa ON
P 613-839-3232 F 613-839-3443

www.cmelectric.com

Permits over \$500,000

issued in February 2020

\$550,000	Interior alterations on the 3rd floor of a 14 storey office building (Telus) 250 Albert St.
\$626,370	Interior alterations in a 2 storey commercial building (Ground floor) 1165 Kenaston St.
\$631,256	Construct a 3 storey triplex 288 Duncairn Ave.
\$670,000	Interior alterations on the 1st floor of a 2 storey office building 3000 Innovation Dr.
\$774,043	Construct an addition on a 1 storey daycare 1099 Longfields Dr.
\$930,731	Construct a 3 storey mixed use building 296 Somerset St. E.
\$999,212	Tenant fit-up on the 1st floor of a 1 storey office building (Royal Lepage) 1723 Carling Ave.
\$1,100,000	Replace an Hvac system in a 4 storey University building (UofO) 125 Universite Priv.
\$1,100,000	Interior alterations on the 18, 19 & 20 storey in a 23 storey office building (demo interior partitions & reconstruct washrooms & elevator lobbies) 66 Slater St.
\$1,250,000	Interior alterations on the 1st and 2nd floor of a 2 storey office building (RBR) 359 Terry Fox Dr.
\$1,400,000	Interior alterations to the 2nd & 5th floor of a 9 storey office building (Telus) 215 Slater St.
\$1,884,208	Construct an addition and interior alterations to a 1 storey arena (Blackburn Arena) 200 Glen Park Dr.
\$3,758,734	EXCAVATION SHORING AND FOUNDATION- Construct a 9 and a 6 storey linked mixed use residential apartment building 770 Brookfield Rd.
\$21,914,805	Construct a 5 storey office building with roof top patio (base building only). 8700 Campeau Dr.
\$27,075,007	FOUNDATION ONLY: Construct a 12 storey apartment building 851 Richmond Rd.
\$38,754,406	Construct a 4 storey office building (Giant Tiger) 2480 Walkley Rd.
\$38,754,406	Construct a 4 storey office building (Giant Tiger) 2500 Walkley Rd.
\$40,549,503	FOUNDATION ONLY - Construct an 8 storey office building 125 Zaida Eddy Priv.



February 2020 Total: \$281.1 million
February 2019 Total: \$123.8 million

change: 127.06% an increase of \$157.3 million from 2019

Building permit values (\$ millions)

	2018	2019	2020
January	140.7	175.7	301.0
February	161.5	123.8	281.1
March	199.4	229.9	
April	320.2	229.5	
May	252.7	240.8	
June	293.7	278.6	
July	533.8	413.5	
August	253.5	295.9	
September	178.1	411.9	
October	211.2	206.7	
November	296.2	285.4	
December	128.8	175.7	

Total: \$2,969.8 10.6%
Year to date: \$3,067.4 3.28%
\$582.1

2020 year to date total of \$582.1 million is 94.3% higher than the \$299.5 million in 2019

Housing starts: February 2020

	Single-Detached			All others			Total		
	2019	2020	%	2019	2020	%	2019	2020	%
February	79	153	94	605	632	4	684	785	15
Year to date	155	256	65	714	900	26	869	1,156	33

NUMBERS

Building permit statistics: February 2020

(Please note that City of Ottawa building permit data now includes both new construction and renovation permit data.)







	Number of permits	Value of permits	Gross area of work (ft²)
Residential			
Apartment	20	32,465,020	267,486
Det. Garage/Shed	5	120,000	4,337
Retail	37	2,982,729	67,081
Rowhouse	44	30,306,226	235,885
Semi - Detached	21	5,875,499	44,131
Single	312	78,049,645	536,981
Stacked Rowhouse	5	10,505,712	80,776
Total	444	\$160,304,834	1,236,677

Year to date: Residential: \$371,689,625

	Number of permits	Value of permits	Gross area of work (ft²)
Non-residential			
Demolition	21	519,000	-73,162.00
Industrial	3	168,056	770
Institutional	29	5,488,641	71,036
Mixed	3	1,262,731	11,542
Office	50	112,563,365	979,212
Other	7	770,836	5,787
Retail	37	2,982,729	67,081
Total	125	\$120,866,932	1,062,265

Year to date: Non-residential: \$212,511,398

Material prices

	Commodity	Week ending 3/13/20	Week ending 3/20/20	% change 1 year ago
	Oil (WTI, \$US/barrel)	32	25	-58.3 ▼
	Natural Gas (\$US/MBtu)	1.87	1.87	-34.4 ▼
	Copper (\$US/mt)	5510	4963	-23.3 ▼
	Steel (\$US/mt)	272	267	-17.4 ▼
	Electricity (PJMw, USD/MWh)	23	24	-25.9 ▼
	Lumber composite (USD/1k bd ft)	367	313	-13.6 ▼

Source: data collected by and reprinted with permission from Export Development Canada's Weekly Commodity Update.
For more information, please visit www.edc.ca



TERLIN
CONSTRUCTION LTD.

BUILDING BUSINESSES TOGETHER

General Contracting • Project Management • Millwork • Service
Retail, Commercial and Institutional



TERLIN.CA

FORECASTED TENDERS

Infrastructure Services – Design and Construction Projects

May 2020 to July 2020 (Published: February 6, 2020)

Project Name	Project Type	Project Phase Status	Forecasted Date
FS 71 - Exterior Cladding	Facilities	Design	May-20
Exp. Culvert Renewal: Ward 5, 8 & 21	Municipal	Design	May-20
CWWF Wallford-Far-Hill-Mill-Deer-Fisher	Municipal	Design	May-20
Storm Sewer Blackburn and Renaud	Municipal	Design	May-20
PTIF MUP: Hog's Back	Municipal	Design	May-20
Transit Priorities:Albert Slater Queen	Municipal	Design	May-20
Resurfacing Sidewalk: Heatherington	Municipal	Design	May-20
Sidewalk and Curb: 2019 East West	Municipal	Design	May-20
Manotick Watermain & North Island Links	Municipal	Design	May-20
Greenboro BRT Station, Pedestrian Lin	Municipal	Design	May-20
Doug Frobel Park Ball Diamond Upgrades	Facilities	Planning	May-20
Lepage, Larkin, Larose- Road Sewer,WM	Municipal	Design	May-20
Beacon Hill North CC Water Line Replace	Facilities	Design	May-20
Exp Ped Bridge: Terry Fox Park	Municipal	Design	May-20
Tartan PS Rehabilitation-Phase One	Facilities	Design	May-20
Hintonburg Ext Wall Assembly/Gym Floor	Facilities	Design	May-20
Ottawa River Outfalls:1B NCC Lands	Municipal	Design	May-20
Bridge Renewal: Confederation Heights	Municipal	Design	May-20
Fairbairn-Bellwood-Willard-Belmont Inter	Municipal	Design	May-20
PTIF Scott-Holland Protected Intersectn	Municipal	Design	May-20
SpringHurst-Jr Playstructure replacement	Facilities	Design	May-20
Chorus Park Riverside South Dev Del	Facilities	Design	May-20
Cyrville Station to Ogilvie Road MUP	Municipal	Design	Jun-20
Sidewalks & Roundabout	Municipal	Initiation	Jun-20
Bridge Structure: Hazeldean Bridges	Municipal	Design	Jun-20
Bell Arena Storage Bldg Replace Roof	Facilities	Initiation	Jun-20
Village Square playground replacement	Facilities	Planning	Jun-20
ROPEC- Elevated Platforms & Guardrails	Facilities	Design	Jun-20
Orleans Library Replace Fire Alarm Panel	Facilities	Design	Jun-20
2018 Misc Drainage East and West Phase 2	Municipal	Design	Jun-20
Carp Depot -Foundation Wall Remediation	Facilities	Design	Jun-20
CWWF-Lemieux Island WPP Intake	Municipal	Design	Jun-20
MUP: Belfast-Trainyards Corridor	Municipal	Design	Jun-20
Richmond Arena Dehumidifiers	Facilities	Design	Jun-20
Pump Station Upgrades: Harvard	Facilities	Design	Jun-20
Dickinson House Wood Siding Remediation	Facilities	Design	Jun-20
Richmond Accessible Viewing Platform	Facilities	Design	Jun-20
Multi-Use Pathway: Woodroffe	Municipal	Design	Jun-20
Bridge Replacement: Piperville Rd	Municipal	Design	Jun-20
Billings Gate House Exterior Restoration	Facilities	Planning	Jun-20
Nepean Sportsplex Sign Replacement	Facilities	Initiation	Jun-20
Hurdman Salt Dome - Concrete Foundation	Facilities	Planning	Jun-20
Exp.O/P Renewal: Carling Ave	Municipal	Planning	Jul-20
Traffic Calming: Amiens, Provence	Municipal	Design	Jul-20
Graham Creek Storm Renewal	Municipal	Design	Jul-20
Ottawa River Outfalls - More Complex	Municipal	Design	Jul-20
Exp Intergrated Huron Ave	Municipal	Planning	Jul-20
Queenswood Heights Replace 2 HVAC Units	Facilities	Planning	Jul-20
Kenmore Park -Playground Replacement	Facilities	Design	Jul-20
Splash Wave Pool - Entrance Remediation	Facilities	Design	Jul-20
Charlie Conacher Parking Lot Resurfacing	Facilities	Planning	Jul-20
OC St Laurent Stn Renovate Operator Area	Facilities	Design	Jul-20
Beryl Gaffney & Dog Park Improvements	Facilities	Planning	Jul-20
2018 Trenchless Sewer Program	Municipal	Design	Jul-20
Cycling Network: O'Connor Phase 2	Municipal	Design	Jul-20
Repairs: Prince of Wales Bridge	Municipal	Design	Jul-20
Fred Barrett Repl Roofs 3, 4, 5, 6 & 7	Facilities	Planning	Jul-20
Ottawa South Pumping Station Upgrade	Municipal	Design	Jul-20
Hurdman B. Water Pumping Ss. Upgrades	Municipal	Design	Jul-20



Imagine. A Construction Company that delivers superior construction, outstanding customer service and real value for every dollar spent. Imagine a partner doing everything possible to make sure you move into your space on time.

Imagine. An ingrained operating philosophy that puts the Client first. A leading provider of general contracting and construction management services in both Ontario and Quebec. An enviable roster of clients in the commercial interiors industry that includes financial, institution and retail sectors. **We are what you need on your next project.** A competent effective builder. A fully transparent and stringent cost-controller, a consistent provider of service and accountability.

Imagine your space here.

management@fiagroup.ca



SHARING YOUR VISION. BUILDING SUCCESS.

We are more than builders. We are construction partners who deliver Ottawa's top projects by understanding your goals, providing innovative solutions, and by working tirelessly to exceed your expectations. PCL is the proud builder of the award-winning National Arts Centre Architectural Rejuvenation.

Watch us build at PCL.com



Ladder Safety

Editor's note: this infographic was created by the Canadian Centre for Occupational Health and Safety. For more information, visit www.ccohs.ca.

Ladders are common to almost every home and workplace, giving the impression that ladder work requires no special knowledge or skills. But anyone who uses a ladder should have hands-on safety training to learn about the various risks involved and the precautions necessary to prevent falling. Every year, a significant number of injuries occur when people use ladders at work or at home.

Share this infographic with tips on inspecting, setting up and working from a ladder, along with some employer responsibilities to ensure that ladders are used safely in the workplace.

Ladder safety

Inspector
the ladder
before each use

Fall protection is required when working above 3 metres

The Climb
Always face the ladder when climbing up or down and while working

Maintain 3-point contact when climbing up or down

Have **two hands and one foot, or two feet and one hand** on the ladder at all times

Check non-slip wear, embedment, and that the ladder is properly stored

Replace frayed ropes on extension ladders with the type recommended by the manufacturer

Check for damage in side rails

Check for any splits or rot

Check for good caulking, especially metal, and that could make a ladder unsafe

If a ladder must be used to do the job, t



Inspect
ladder
each use



skid feet for
added material,
feet swivel

ayed or worn
tension ladders
e and size equal
turer's original

ents and bends
steps and rungs
ny cracks, wear,

rease, oil,
mbedded stone,
ther materials
ake using
safe

Set-up and placement



Set the ladder
on a firm,
level surface



Secure the base
and top so they
do not move



Clear the area
around the base
and remove unstable
material and debris



Do not use aluminum
ladders near live
electrical equipment
or wires



Make sure that the
surface and ladder feet
are clean. Dust, sand or
dirt can cause ladder feet
to slide



Barricade the immediate
area with high visibility
or barrier tape if the
ladder will be used
for a period of time



Employers

need to ensure that

Ladders are **CSA-approved**

Damaged ladders are **removed
from service, repaired or
disposed of**

Ladders are **suitable
for the job**

Workers are **trained on what
ladder to use when, and how
to use them safely**



Working from a ladder

Keep boots clean of mud,
grease, or any loose or
slippery material

Keep your centre of gravity
between the side rails

Use a hoist rope or tool belt
to carry tools or materials
when climbing

Stand no higher than the third
or fourth rung from the top

Maintain knee contact for
balance, along with a minimum
3-point contact



Climb down and reposition the ladder

Training in safe use is essential

CCOHS.ca
Canadian Centre for Occupational Health and Safety

Adjudication and litigation exclusion clauses in municipal procurement bylaws

This article looks at the concern of many contractors regarding the impact of proceeding with adjudication under Part II.1 of the *Construction Act*, and the possibility these adjudications triggering the application of litigation exclusion clauses in municipal purchasing bylaws.

Given that regular business will resume at some point in the future, preparing for the impact adjudication may have on the ability to submit tenders will be of primary importance once new tender opportunities become available and projects become subject to the requirement to adjudicate.

Recently, the Supreme Court of Canada refused to hear the appeal of the decision of the Court of Appeal for British Columbia in the matter of *J. Cote & Son Excavating Ltd. v. City of Burnaby and Attorney General of British Columbia*. As a result of the refusal to hear the appeal, the decision of the Court of Appeal for BC stands. The central issue on the appeal was the constitutionality of the litigation exclusion clause in the procurement bylaw for the City of Burnaby. *J. Cote & Son Excavating* did not appeal the finding that the clause was not contrary to public policy.

The decision from the Court of Appeal provided implicit support for the use of litigation exclusion clauses. This decision will have a significant impact on the ability to dispute the application of litigation exclusion clauses in future cases.

The decision, however, did not involve a mandatory legislative process for resolving disputes. Therefore, the issue becomes, what impact will this decision have in circumstances where a municipality relies on a past adjudication as a reason to exclude a contractor from submitting a bid.

Interestingly, in its appeal, *J. Cote & Son Excavating Ltd.* raised undue hardship, which is a financial means test, as one of the grounds upon which it was relying to have the litigation exclusion clause deemed unconstitutional. The Court disagreed with this argument.

Undue hardship could be argued on the basis that the only way a contractor can avoid mandatory adjudication is by paying its subcontractors in full, despite the fact that it has not been paid by the owner and received a notice of non-payment. Such a payment to a subcontractor would be to the financial detriment of the contractor because it has not received the funds from the owner. It is not known whether this argument would be sufficient to convince a court that litigation exclusion clauses should be unenforceable. It is however a potential argument.

There is certainly an argument to be made that it would be unconscionable to allow a municipality to enforce a litigation exclusion clause against a contractor for following the process imposed by the legislation, however, until this issue is before the courts, it is unknown how it will be decided.

In addition to the foregoing, the determination of whether a municipality will use past adjudications to enforce the li-

gation exclusion clauses in procurement bylaw is dependent upon how the clause itself is drafted. Using examples of two different clauses found in municipal procurement bylaws, the answer to that question is: It depends.

The Region of York's litigation exclusion clause defines litigation broadly and includes any unresolved dispute with the Region where a legal proceeding has been commenced for the recovery of money. The term "legal proceeding" has generally been interpreted broadly and would likely include adjudication. There is a fair chance that the Region of York could use adjudication as a reason to prevent a contractor from submitting a bid on a tender.

The City of Ottawa litigation exclusion clause found in its procurement bylaw provides that in order to exclude a contractor on the basis of prior litigation, the City is required to first consider the following criteria:

- whether the litigation is likely to adversely affect the bidder's ability to work with the City, its consultants and representatives; or,
- whether the City's experience with the bidder indicates that the City is likely to incur increased staff and legal costs in the administration of the contract if it is awarded to the bidder; or,
- whether the bidder has been convicted of a criminal act against the City or one of its local boards or corporations; or,
- whether the bidder has failed to satisfy an outstanding debt to the City or one of its local boards or corporations; or,
- there are reasonable grounds to believe it would not be in the best interests of the City to enter into a contract with the bidder.

Based on the wording of Ottawa's litigation exclusion clause, and given the mandatory nature of adjudication in certain circumstances, there is a possibility that the City of Ottawa would not enforce its clause against a contractor if the adjudication was brought on by a notice of non-payment from the City to the contractor. It remains to be seen what approach the City of Ottawa will take in response to adjudications brought in their construction contracts.

One would think however, that a contractor's decision to submit a disputed change order, or a delay claim, to adjudication (neither of which are mandatory under the Act – but always available to the parties) will be relied upon by a municipality in the application of its litigation exclusion clause.

This article was written by Nadia Authier, a partner with the firm Rasmussen Starr Ruddy. She practices primarily in the area of construction law, including construction liens, trust actions, OHSa defences and is able to assist clients in both official languages. She can be reached at nja@rsrlaw.ca.

Capital dividends, dividends, tax planning, taxes



They say the best things in life are free. That's what capital dividends are to shareholders of Canadian small businesses.

When a Canadian-controlled private corporation generates a capital gain from the sale of investments or the sale of capital assets, such as land or business goodwill, one half of the gain is subject to corporate income tax. So what happens to the other half of the gain?

The other half of the gain is credited to a notional account called the capital dividend account (CDA). Payments from the CDA can be made to the company's shareholders tax-free. Other items that can give rise to a credit to the CDA are proceeds from a life insurance policy or a capital dividend received from another private corporation.

What happens when a capital loss is incurred?

If a corporation incurs a capital loss, one half of the loss reduces the CDA balance.

Consequently, there are planning opportunities available if a corporation has a portfolio of investments that has a mixture of winning and losing stocks. If all of the winners are sold first, the CDA will be credited for one half of the overall gain. A capital dividend could then be paid out to the extent of the existing balance in the CDA. The losing stocks could then be sold to reduce the taxes owing on the initial gains. However, the capital dividend paid out would not be impacted as long as it was paid out before the losing stocks were sold. As such, the timing of the payment of a capital dividend is very important.

How do you pay a capital dividend?

There is a prescribed manner in which a capital dividend must be paid. A corporation must file an election with the Canada Revenue Agency (CRA) on or before the date that the capital dividend is paid. A schedule detailing how the CDA balance has been calculated must be filed with the election form to allow the CRA to verify and approve the election. Finally, a certified copy of a director's resolution declaring the dividend must be filed with the election.

If a capital dividend payment exceeds the balance in the CDA, a 60-percent tax will be applied to the excess amount. There is a way to reverse the penalty tax by converting the capital dividend into a regular taxable dividend. In order to avoid having to jump through too many administrative hoops, it is very important to ensure that the CDA is calculated accurately prior to the payment of a capital dividend.

Using your CRA account to calculate capital dividends

The CRA's website is becoming a better resource for calculating a company's CDA. A company can register to have access to their online CRA account which provides valuable information about several important tax accounts and includes historical information on the capital gains and losses that a company has realized over a number of years.

If your company has been in existence for more than 15 years, the CRA online account may not have all of the historical capital gain and loss information available. In that case, older tax returns would have to be reviewed to determine the correct balance of the CDA. In recent years, the CRA has created a schedule which allows companies or their accountants to request a verification of the CDA. You can only request a CDA balance verification once every three years and it may only be needed as a last resort if there is uncertainty about the CDA balance or if the company's historical records do not provide an accurate assessment of the balance.

How to manage shareholders who are non-residents to Canada

If any of the shareholders of the company are non-residents of Canada, the payment of a capital dividend will be subject to a non-resident withholding tax of up to 25 percent. This withholding tax may be lower if the recipient is a resident of a country with which Canada has a tax treaty. For example, residents of the United States would be subject to a 15 percent withholding tax upon the receipt of a capital dividend. In some cases, additional planning could be taken to create separate classes of shares to allow the tax-free capital dividend to be streamed to Canadian shareholders with non-resident shareholders receiving regular taxable dividends that are subject to the applicable withholding tax.

This article was written by Paul Spare, CPA, CA.

Paul is a senior tax manager with McCay Duff LLP Chartered Professional Accountants, and can be reached at 613-688-2634.



GENERAL CONTRACTORS CONSTRUCTION MANAGERS DESIGN BUILD



319 Palace Street, Ottawa, Ontario Tel: 613-748-7051 Fax: 613-748-5590

NOUS AFFRONTONS
CE DÉFI

ENSEMBLE

PRENEZ SOIN DE VOUS!
ON SE REVOIT BIENTÔT À LA CITÉ

WE ARE ALL IN THIS

TOGETHER

PLEASE STAY SAFE!
SEE YOU AGAIN SOON AT LA CITÉ

INSTITUT DES
MÉTIRS SPÉCIALISÉS

LA CITÉ

MT-19-002J

NEWS

OCA
OTTAWA CONSTRUCTION
ASSOCIATION

IN BRIEF

Construction investment rises in January

Statistics Canada's latest report shows that total investment in building construction across the country rose by 0.5 percent in January to \$15.6 billion.

Activity in the residential sector was largely unchanged in January. Increases in Quebec (+5.5 percent to \$2.3 billion), British Columbia (+0.1 percent to \$1.9 billion) and Nova Scotia (+0.6 percent to \$224.0 million) offset declines in the seven other provinces. Quebec led residential investment in both single-unit dwellings (+6.6 percent to \$1.0 billion) and multi-unit dwellings (+4.7 percent to \$1.3 billion).

Meanwhile, all three components of non-residential investment (commercial, institutional, and industrial) were up in January, rising 1.4 percent to \$5.1 billion. Both Quebec (+5.1 percent to \$1.1 billion) and Ontario (+1.8 percent to \$1.9 billion) reported notable growth, while Alberta declined 1.5 percent to \$682.1 million.

The commercial component was the largest contributor to non-residential growth, up 1.8 percent to \$3.0 billion. Quebec reported the largest gains (+8.4 percent to \$629.6 million), primarily due to multiple major projects, such as the National Bank head office in Montréal.

The institutional sector rose 0.9 percent to \$1.2 billion. Growth in Toronto propelled Ontario up 3.8 percent to \$423.8 million. Declines in British Columbia and Alberta slightly offset gains in Ontario.

The industrial component increased 0.8 percent to \$928.3 million. Gains in seven provinces outweighed declines in Alberta, Manitoba, and Saskatchewan.

Overall investment in Ontario dropped slightly – from \$6.33 billion in December to \$6.28 billion in January. While residential-sector investment in the province slipped from \$4.44 billion to \$4.36 billion, investment in the non-residential sector gained ground. Ontario recorded small increases in all three sectors for total growth of about \$35 million.

Province announces details of gas tax funding program

Ontario Transportation Minister Caroline Mulroney announced an investment of more than \$365 million by the province to expand and improve local transportation.

This year's gas tax program will be shared across 111 municipalities—the most ever.

Funding for the program is determined by the number of litres of gasoline sold in the province. Municipal allocations are based on two cents per litre of provincial gas tax revenues.

Jonas
BUILDING RESTORATION LTD.
www.jonasrestoration.com

- Caulking
- Coatings
- Waterproofing
- Masonry Repairs
- Concrete Repairs

Alex Collier
alex@jonasrestoration.com

3717 St. Joseph Blvd., Orleans, ON K1C 1T1
Tel: 613-837-0111 • Fax: 613-837-6724

M B C LAW
PROFESSIONAL CORP./SOCIÉTÉ PROFESSIONNELLE
WWW.MBCLAW.CA

Stéphane P. Bond
sbond@mbclaw.ca
613-564-3007

Ian B. McBride
imcbride@mbclaw.ca
613-564-3004

Andrew D. Ferguson
aferguson@mbclaw.ca
613-564-3006

**PRACTICING IN
ALL AREAS OF
CONSTRUCTION LAW**

Services disponibles en français.

EXPECT MORE

RECL
CONSTRUCTING WITH INTEGRITY

Ron Eastern Construction Ltd.
1801 Woodward Drive
Ottawa, Ontario K2C 0R3
info@recl.ca
613.225.3640 • RECL.CA

Heavy-Duty Stainless Steel Laundry Sinks

DID YOU KNOW?
90% of end of life stainless steel is collected and recycled to make new stainless steel!

Made in OTTAWA!

ridalco

www.ridalco.com | info@ridalco.com

GGFL helps you understand your financial results and operational performance so you can make informed business decisions.

See the opportunity behind your numbers.

GGFL
Chartered Professional Accountants

Visit ggfl.ca/construction
or call 613.728.5831 today

CONSTRUCTION COMMENT
The Official Publication of the Ottawa Construction Association

If your firm hasn't already booked an advertisement with *Construction Comment*, what are you waiting for?

**Industry news
at your fingertips**

BOOK TODAY!

Reserve your space today for as little as **\$220 per issue.**

Tel: (613) 236-0488

LES FONDATIONS BRISSON inc. **SINCE 1989**
CONCRETE WORK
COMMERCIAL RESIDENTIAL AGRICULTURAL
BUNK SILO - LAGOON



TEL: 613-764-1530 • FAX: 613-764-3376
 CASSELMAN, ON www.fondationsbrisson.com



HarrisRebar

National Strength. Local Service.

- FABRICATION • PLACING • POST TENSIONING • WIRE MESH
- DETAILING • EPOXY COATING • BAR SUPPORTS • BAR SPLICES

171 Cardevco Rd., Ottawa, ON K0A 1L0
Tel: 613-836-8804 Fax: 613-836-8842



Ottawa Region Masonry Contractors Association

MEMBERS

BGC Construction & Restoration Ltd. Ph.: 613-680-2007	Bellai Brothers Construction Ltd. Ph.: 819-771-7704 Fx.: 771-9427
De Marinis (DMA) Incorporated Ph.: 613-226-1550 Fx.: 228-1338	G & A Masonry Ltd. Ph.: 819-775-9073 Fx.: 775-3893
Lari Construction Inc. Ph.: 613-567-5274 Fx.: 567-5277	Lariviere Construction Ontario Ltd. Ph.: 613-567-2280 Fx.: 233-3663
M & U Masonry Co. Ltd. Ph.: 613-224-0100 Fx.: 224-0100	McGonigal Construction Ltd. Ph.: 613-623-3613 Fx.: 623-8705
Paranis Construction Inc. Ph.: 613-742-7639 Fx.: 742-5697	RJW Stonemasons Ltd. Ph.: 613-722-7790 Fx.: 722-7723
Tricon Masonry Ltd. Ph.: 613-596-6331 Fx.: 596-0852	

Art Lytle – President
 Joe Costa – Vice President
 Tony De Marinis – Secretary Treasurer

P.O. Box 5063, Nepean, Ontario, K2C 3H3
ormca@bellnet.ca Phone: 613-221-9278 Fax: 613-221-9279

What's more, the province has made enhancements to the program—such as removing the baseline spending requirement for municipalities and allowing them to submit a digital copy of their municipal by-law—that will make it easier and faster for local governments to access funding.

At \$37.5 million, Ottawa's share of the funding is the second-largest in the province. Toronto will receive more than \$181 million.

Building permit values rise in January

Statistics Canada's most recent report on the value of building permits issued by municipalities across the country shows a bright start to 2020.

In January, builders took out more than \$9.2 billion worth of building permits—4 percent more than they did in December. Six provinces reported increases in permit values, led by British Columbia (+\$751 million). Permit activity in Ontario however, dropped by 4.5 percent to \$3.4 billion.

Vancouver was the busiest region of the country in construction terms in January. Statistics Canada reports that the value of permits increased by nearly 82 percent as builders rushed to file permits in advance of changes to the city's development charges which came into effect on January 15. On the other side of the coin, Quebec (-\$366 million) and Ontario (-\$161 million) reported the largest provincial declines after strong activity in December 2019.

The residential sector reported strong gains in January. Construction activity increased by 12.7 percent from December 2019 to \$5.8 billion. Permits for multi-family dwellings were up 17.1 percent to \$3.4 billion in January—again, largely due to multiple projects in Vancouver. Ontario's residential sector performed well in January. Permit values rose by nearly 5 percent to \$2.0 billion for the month.

The total value of permits for single-family dwellings nationally increased 7.0 percent to \$2.4 billion, mainly due to housing developments in Ontario (+\$105 million) and Quebec (+\$48 million). Brantford, for example, reported the largest increase in the value of permits for single-family dwellings (+340.9 percent to \$41 million), a record high for the city.

The value of non-residential permits was down 7.8 percent to \$3.5 billion in January. This decrease was largely due to a decline in the total value of institutional permits (-30.5 percent to \$732 million) following strong gains in December 2019. The value of commercial permits decreased 0.8 percent to \$2.1 billion, and the value of industrial permits rose 6.8 percent to \$682 million.

Activity in Ontario's non-residential sector dropped in January—although largely due to a significant decline in the total value of institutional permits. Overall, permit totals lost about 15.3 percent to finish the month at \$1.4 billion. The value of industrial-sector permits rose by about \$90

NEWS IN BRIEF

million (or 47 percent) to \$279.4 million for the month. The value of commercial permits also rose by \$90 million (or 11 percent) to \$916 million, while the value of institutional permits dropped more than \$430 million (or 67 percent) to \$212 million.

CaGBC updates Zero Carbon Building Standard

The Canada Green Building Council (CaGBC) announced an update to its Zero Carbon Building (ZCB) Standard that will help new construction and existing buildings achieve zero carbon status even quicker.

Version 2, as it is known, is designed to accelerate adoption of zero carbon building practices, and help Canada meet its climate targets.

Buildings are a top contributor to carbon emissions. Building operations today represent 17 percent of Canada's greenhouse gas (GHG) emissions. When embodied carbon from construction and materials are factored in, that figure rises to closer to 30 percent.

CaGBC's ZCB Standard provides the industry with a zero-carbon approach that works for any type of new or existing building. It directs design, guides retrofits and verifies that building operations are zero carbon—all while driving innovation and creating new jobs and opportunities in the emerging low-carbon economy.

The new standard offers two pathways for any type of building to get to zero carbon. ZCB-Design guides the design of new buildings, as well as the retrofit of existing structures. ZCB-Performance provides a framework for verifying buildings have achieved zero carbon and must be revisited annually.

Additionally, the new standard provides updates on such criteria as: refrigerant leaks, energy efficiency and airtightness requirements, design innovation, and carbon emissions, including those produced during a building's lifecycle and those associated with the manufacture and use of construction materials.



KORBAN
LTD.
DRYWALL CONTRACTORS



**RESIDENTIAL
COMMERCIAL
INDUSTRIAL**

Quality Workmanship
for Over 40 Years

42-5450 Canotek Rd.
Ottawa, ON K1J 9G2

Tel: (613) 747-7899
Fax: (613) 747-6280
Email: patrick@korbanltd.com
www.korbanltd.com

CPO APPROVED • ON SITE OFF SITE • BILINGUAL COURSES • GROUP RATES

WORKING AT HEIGHTS AND WORKING AT HEIGHTS REFRESHER COURSES

**Chainsaw Safety
in Construction**

**Power
Elevated Work
Platform**

**Propane CH-02
(TSSA approved)**

**Asbestos
Type 1 & 2
Awareness**

**Forklift
- New &
Experienced**

**Work Site
Inspection**

**Confined Space
Entry and Rescue
Attendant courses
and services**

**Traffic Control
and Book 7**

**Transport of
Dangerous
Goods**



AND MANY MORE

Safety Training Inc.

Since 2003 / Depuis 2003

safetytr@labortek.com
www.laborteksafety.com
1370 Triole St., Ottawa, Ontario
613-741-1128

Quality, Commitment and Integrity
This is what we are all about!



Golder Associates – New Office Building

Doran A Century of Excellence

Doran has earned its reputation with over 100 years of leadership, offering General Contracting, Construction Management, Design Build and Project Management Services.



DORAN

One of the Taggart Group of Companies

3187 Albion Road South, Ottawa, ON
P: 613-526-2400 F: 613-526-2880 www.doran.ca

Site closures now in effect



Most sites across the province were required to close down operations for two weeks effective 11:59 p.m. on April 4.

Ontario has ordered the operations on most construction sites to shut down.

Premier Doug Ford made the announcement on April 3 as a further measure to help contain the spread of the COVID-19 pandemic.

Effective 11:59 p.m. on April 4, work on most industrial, commercial and institutional construction sites was stopped. Only critical projects—those supporting infrastructure projects such as in the healthcare, transit, transportation, energy and justice sectors, as well as those required for petrochemical plants and refineries, and those supporting the manufacturing of personal protective equipment—were allowed to continue.

Construction in the residential sector is also being significantly slowed. New builds are stopped. Those projects already underway—for single-family, semi-detached and townhomes as well as condominium projects for which above-grade structural permits have been issued—are allowed to continue.

The government says the closures will be in effect for 14 days, with the possibility for an extension, should the situation warrant further action.

In his news conference, the Premier advised that the decision was taken with the health and safety of front-line workers in mind. He added that the province would “come down hard on inspections” on those sites that continue to operate.

The province has hired 60 new inspectors; hundreds more have deployed across the province to confirm proper site safety. Through April 3, the province had conducted nearly 600 inspections, and shut down five sites.

“We will not hesitate to shut down more,” said Ford.

The province has also doubled the number of phone agents at its Health and Safety Call Centre so that workers may report safety concerns.

“If you’re a worker on the frontlines of this outbreak, you should know we’re doing everything in our power to keep you safe at work,” said Monte McNaughton, Minister of Labour, Training and Skills Development. “We’re beefing up our inspectors and making it easier for you to report your concerns. We’re working around the clock.”

As the number of cases—and deaths—in Ontario continues to climb, the Premier announced predictions of as many as 15,000 deaths from the virus based on current intervention models. The province took the decision to cut down the list of essential services with the goal of further reducing the spread of COVID-19.

“We are facing a critical moment in the fight against COVID-19 and we must do everything in our power to keep everyone safe and healthy and prevent our health care system from being overwhelmed,” said the Premier. “Everyone must do their part to stop the spread and flatten the curve. If you are not an essential business, you need to close your doors, work from home if possible and play a role to help contain this outbreak. This is a matter of life and death.”

A complete list of essential construction services appears below. The province has advised business owners with questions concerning their essential business status can call the Stop the Spread hotline at 1-888-444-3659.

Maintenance

- Maintenance, repair and property management services strictly necessary to manage and maintain the safety, security, sanitation and essential operation of institutional, commercial, industrial and residential properties and buildings.

Construction

- Construction projects and services associated with the healthcare sector, including new facilities, expansions, renovations and conversion of spaces that could be repurposed for health care space.
- Construction projects and services required to ensure safe and reliable operations of, or to provide new capac-

ity in, critical provincial infrastructure, including transit, transportation, energy and justice sectors beyond the day-to-day maintenance.

- Critical industrial construction activities required for,
 - the maintenance and operations of petrochemical plants and refineries,
 - significant industrial petrochemical projects where preliminary work has already commenced,
 - industrial construction and modifications to existing industrial structures limited solely to work necessary for the production, maintenance, and/or enhancement of Personal Protective Equipment, medical devices (such as ventilators), and other identified products directly related to combatting the COVID-19 pandemic.
- Residential construction projects where,
 - a footing permit has been granted for single family, semi-detached and townhomes
 - an above grade structural permit has been granted for condominiums, mixed use and other buildings, or
 - the project involves renovations to residential properties and construction work was started before April 4, 2020.
- Construction and maintenance activities necessary to temporarily close construction sites that have paused or are not active and to ensure ongoing public safety.



SUSTAINABLE INFRASTRUCTURE

Clean Water Works is a full service company. With 24 hours emergency services and proven methodologies, CWW offers a range of safe and secure services, including:

- ENVIRONMENTAL SERVICES
- PLUMBING SERVICES
- SEWER INSPECTION SERVICES
- TRENCHLESS REHABILITATION



CWWCANADA.COM
LOCAL 613-745-2444
TOLL FREE 1-866-695-0155

HERE TO HELP

WSIB services during the COVID-19 pandemic



Workplace Safety and Insurance Board president and CEO Tom Teahen itemizes the ways the board is helping businesses and employers during the COVID-19 pandemic.

The COVID-19 pandemic is changing everyday life for people around the world, including how we work and do business.

At the Workplace Safety and Insurance Board (WSIB), we know people have more than enough to deal with—trying to keep businesses open, keep working, care for kids or loved ones—without having to worry about their premiums or other

reporting requirements. That's why we are doing everything we can to help, so people can focus on their job or business or family, and always on their health and safety.

What kind of help can we give? It starts with options to make doing business with us easier during this time of unprecedented challenge. That includes using our new online services as well as financial relief for businesses.

Financial relief package

It is critically important for us to help businesses reduce the financial burden associated with the rapidly evolving COVID-19 situation. Working with the Ontario government, we have developed a \$1.9-billion financial relief package that allows any business to defer premium reporting and pay-

ments until August 31, 2020. All businesses are eligible for this deferral. We are also waiving interest and penalties during this time.

Also, costs associated with COVID-19 related claims will not be allocated at an employer or class level. Instead, they will be allocated on a Schedule-wide basis and there will be no change in rates for 2020.

Support of people with claims

While our WSIB offices are closed, we are still here to help. Our staff are actively managing claims, processing new claims, and answering phone calls. People can also upload claim-related documents such as forms, letters, reports and receipts directly to us through our website.

The WSIB is also ensuring wage loss benefits are continuing to be paid and all loss-of-earnings benefits are up to date. People whose workplace shuts down temporarily will also keep getting their benefits.

Managing COVID-19 related claims

We also have a team working through COVID-19 related claims. While the nature of some people's work may put them at greater risk of contracting the virus, any claims we receive will be adjudicated on a case-by-case basis, taking into consideration all the facts and circumstances.

People who contracted COVID-19 while at work—meaning they have a diagnosis or symptoms of COVID-19—can file a claim to determine if they are eligible for WSIB coverage.

People who believe they were exposed to COVID-19 while at work but are not ill at this time—meaning they have no diagnosis or symptoms of COVID-19—should not file a claim. They can instead file an exposure incident form through our Program for Exposure Incident Reporting or Construction Exposure Incident Reporting programs as relevant. Having an exposure incident report on file can help us work through any eventual claim much faster.

The WSIB website has more information and the latest updates about how we can help during this difficult time. While we are in unprecedented times, we will get through this together.



WSIB to defer premium payments for six months

The deferral applies to all companies, and no interest or penalties will accrue on accounts.

As part of continued measures to ease the effects of the COVID-19 outbreak on businesses, the Ontario government announced on March 26 that it would defer companies' premium payments to the Workplace Safety and Insurance Board (WSIB) for six months.

The move, which was announced as part of the province's \$1.9 billion relief package, allows businesses to defer payments until August 31. The board has indicated the no interest will accrue on any payments during this deferral period not will any penalties be charged on balances owed.

All employers are eligible for the deferral, and will not have to opt in. A note on the WSIB's website indicates that the following payments are eligible for deferral:

- **Monthly:** March 31, April 30, May 31, June 30, July 31, Aug 31
- **Quarterly:** April 30, July 31
- **Annual:** April 30

"During this unprecedented period of uncertainty and hardship, our government is doing everything possible to support businesses and protect jobs," said Labour, Training and Skills Development Minister Monte McNaughton. "By making this change today, we are building upon the substantial financial help we are providing business owners and workers. The top priority is to keep people safe."

The relief program is in addition to a \$17-billion package included in Ontario's Responding to COVID-19 action plan. The plan will make available \$10 billion in support for people and businesses through tax and other deferrals to improve their cash flow, protecting jobs and household budgets.

The government says the deferred premiums will amount to an average \$1,760 for approximately 275,000 Ontario businesses.

"We have worked closely with the Government of Ontario to help Ontario businesses as they face this unprecedented challenge," said WSIB chair Elizabeth Witmer. "We're here to help."

Although the WSIB offices are closed due to the COVID-19 outbreak, businesses can still contact the board through its online services portal or by emailing employeraccounts@wsib.on.ca.



Looking forward: your new normal, COVID-19 and bidding

You, as a member of the Canadian construction industry, are being inundated with information on steps you should be taking currently in respect of COVID-19 pandemic.

We do not wish to supplement that overflow of information currently underway.

Rather, if you intend on preserving your business interests by continuing to bid on work, we thought we would share some insight on the legal nuances involved with *force majeure* and frustration of contract.

What is *force majeure*? *Force majeure* refers to an express provision in a contract addressing certain events. A *force majeure* provision needs to be expressly provided for as we know of no court cases finding an implied contractual *force majeure* provision. However, the contract need not refer specifically to the words “*force majeure*” for it to have a *force majeure* provision. Other



language can make the same principles apply. For example, see GC 6.5.3 of a CCDC2 contract which outlines events associated with the contractor being delayed in the recourse available to that contractor without using the words “*force majeure*”.

You will need to review your particular contract or bid documents to see if a *force majeure* type of provision is provided.

A *force majeure* clause generally operates to discharge a contracting party when a supervening, sometimes extraordinary, event, beyond the control of either party, makes performance of the contract impossible. The common thread is that of the unexpected, something beyond reasonable human foresight and skill. If a *force majeure* clause is part of your tender documents or current contract, it would typically mean that your contract does not come to an end because of the *force*

majeure event but rather, that the impacted obligations are suspended or whatever is expressly provided for in the contract for those particular circumstances is ultimately to proceed.

Any tender or contract review should, especially under the current circumstances, include a review of whatever *force majeure* provision might be provided in the proposed contract forming part of the tender documents. If one is not provided, you may want to request of the owner or its representatives, via pretender question, whether consideration has been made for the current pandemic and whether an addendum should be issued to include a *force majeure* provision addressing pandemics. If there is no response to that question or the question is answered in the negative, you may want to consider including your own *force majeure* provision as part of your bid submission however acknowledging the fact that your bid submission may be deemed noncompliant as a result.

If there is a *force majeure* provision, you may want to consider the definition of events giving rise to *force majeure*. For example, if it refers to *force majeure* and then lists events following the word “including”. That would typically suggest that the list of events that could qualify as a *force majeure* event is not closed and that the list of examples provided are simply included as examples of *force majeure* events. That notwithstanding, you may want to qualify your bid by including “pandemic” in that list of events. Again, you should be aware that you would run the risk of possibly having your bid submission deemed

noncompliant by that qualification.

If your contract or bid documents do not include a *force majeure* provision, then you would likely need to rely on the legal notion of frustration of contract. Frustration of contract may be best described in the reasons for decision of the UK House of Lords, in *Davis Contractors Ltd v Fareham Urban District Council* [1956] UKHL 3 at 13:

So perhaps it would be simpler to say at the outset that frustration occurs whenever the law recognises that without default of either party a contractual obligation has become incapable of being performed because the circumstances in which performance is called for would render it a thing radically different from that which was undertaken by the contract...But, even so, it is not hardship or inconvenience or material loss itself which calls the principle of frustration into play. There must be as well such a change in the significance of the obligation that the thing undertaken would, if performed, be a different thing from that contracted for.



In other words, frustration is a legal notion providing for termination of a contract because of unforeseen circumstances that:

- make the contract impossible to perform;
- make the performance of the contractual obligations illegal; or
- render the contract fundamentally different from its original intended character.

Please understand that the fact that a contract may become unprofitable will not trigger frustration of contract, and judges have historically set a very high bar for proving frustration of contract.

So if the COVID-19 pandemic simply impacts your productivity and makes your contract less profitable or even unprofitable, or more difficult to perform, you will likely not be able to rely on the legal principle of frustration of contract making a *force majeure* clause even more attractive.

This article was written by Dan Leduc (dan.leduc@nortonrosefulbright.com) with input from the Norton Rose Fulbright LLP Ottawa Construction Law team, including Mark Gallagher (mark.gallagher@nortonrosefulbright.com), Meghan Fougere (meghan.fougere@nortonrosefulbright.com), Erika Woolgar (erika.woolgar@nortonrosefulbright.com) and Crystal Li (crystal.li@nortonrosefulbright.com).



Eight tips for staying mentally healthy during the COVID-19 outbreak

Advice from doctors and psychiatrists at The Royal on how to manage COVID-19 anxiety and isolation.

While the focus is rightly on physical health and safety during the COVID-19 outbreak, mental health is equally important. Given how quickly the situation has been evolving, it's no surprise that many people are struggling mentally.

Here are eight tips to help manage COVID-19 anxiety and isolation, from doctors and psychiatrists at The Royal.



- 
1 ***Self check-ins:***
 Ask yourself, 'how am I? What can I do with what I've got?'
- 
2 ***Cut back on media exposure:***
 Don't get caught in a media spiral. Get the information you need from Ottawa Public Health once or twice throughout the day.
- 
3 ***Physical and mental exercise:***
 Spend time doing brain exercises like puzzles, or physical exercise. Take a walk around the block; fresh air can help improve your mood.
- 
4 ***Don't look too far into the future:***
 Take things one day at a time. Focus on those things and activities you are in control of.
- 
5 ***Online entertainment:***
 Download a magazine, movie, or an audiobook. CBC has all of its programming available free for the time being.
- 
6 ***Social distancing does not mean social disconnection:***
 Stay in touch with friends and family. Build a community so that you feel a sense of support.
- 
7 ***Make a daily plan:***
 Try to build a daily routine that is reasonable under the circumstances.
- 
8 ***You're not alone:***
 It's normal for situations like COVID-19 to affect you and it's completely okay to ask for help. If anyone needs support, the Distress Centre of Ottawa is there 24/7 at 613-238-3311.

To read or listen to more expert advice from The Royal researchers and clinicians, please visit www.theroyal.ca/covid19media.

BDC to provide working capital support for entrepreneurs

The program provides loans of up to \$2 million per company.



BDC is rolling out working capital support for entrepreneurs to provide support in these uncertain times. Immediately, to all our clients that qualify we are postponing principal payments up to six months. Fees are waived for this postponement.

Loan details

Loans are to be provided based on expected expenses over the next few months, up to \$2 million per company. Note that these funds are to be used to support Canadian businesses through these hard times (e.g., to pay wages for employees, technology support to help work from home, operational costs, etc.). They are not to be used to repay existing lenders.

Floating rate only (base minus 1.75%) – currently the total rate is 3.3%.

- Twelve months initial principal postponement;
- Twenty-four month amortization after initial postponement, with 40% payable over these 24 months and 60% payable in a balloon payment in the final month.
- Personal guarantees are applicable.
- Application fee: 0.5% of requested loan amount to be deducted from the proceeds of the disbursement.
- Legal documents will be prepared by BDC. A fee of \$500 per multiple applies.
- Other BDC standard terms and conditions apply.

The following documents are required:

- A diagram showing all related companies and their natural persons who are owners (ownership chart),
- three years of financial statements for all related companies,
- application for financing
- statement of personal affairs for all shareholders holding 25% or more of the shares in a borrower or corporate guarantor,
- photo identification for all shareholders as above,
- a copy of the borrower's most recent bank account statement (business account),
- other documents as required.

You will also be directed to answer the following questions:

- At what activity level do you anticipate to operate at over the next six months (e.g., full shut down or reduced capacity, main impacts, complete or partial closure of premises, specialized staff or employees required, access to premises or technology)?
- What are your key carrying costs (i.e., labour, occupancy, utilities, financial costs) for the next six months?
- With the principal postponement and support from cash on hand, other lenders, etc., does this cover your cash needs for the next six months?
- What are your agreements with key suppliers (and customers) on payment terms/support for the next six months? Do you have line-of-sight to required raw materials for the next six months?
- If you are a landlord, provide a general opinion of the probability of collecting rent from your tenants.
- If you are part of a franchise, has the franchisor provided support?

There would likely be a few other items that come up based on our due diligence. If you have any other questions please don't hesitate to reach out.

Please rest assured we all are doing our best to impact every business owner in a positive way in these challenging times.

More information can be found on the BDC support page for entrepreneurs impacted by the COVID-19 coronavirus at www.bdc.ca.

This bulletin was prepared by Edith Duarte, Small Business, Financing & Advisory Services at BDC. She can be reached at 613-592-6061 and edith.duarte@bdc.ca.

PHOTOS BY RALPH PLATH



Eastrock Equipment Inc – office/service garage

Project Address: 417 Industrial Park, Russell ON
General Contractor: BBS Construction (Ontario) Ltd

Consultants and OCA member participants

Architect	Deimling Architecture & Interior Design
Structural	Cleland Jardine Engineering
Mech / Electrical	M&E Engineering*
Civil	Mcintosh Perry Consulting Engineers Ltd.
Excavation & Backfill & Site Services	Gascon HDJS Enterprises Ltd.
Formwork	Normco Forming Ltd.
Reinforcing Steel	AGF Steel Inc. (Ottawa Division)
Concrete	Tomlinson Ready Mix
Concrete Finishing	Slavko Concrete Finishing
Doors	Doormasters of Ottawa Inc.
Overhead Doors	Pivotech Doors Inc.
Glazing	Centennial Glass Depot
Drywall	Durabuilt Construction Inc.

* denotes non-member firm



EDBRUNET

Construction experts since 1901

**CONSTRUCTION
MANAGEMENT
GENERAL
CONTRACTING
DESIGN BUILD**



edbrunet.com

Construction and
Surety Insurance.
Call us;
we've got the blueprint.

613-237-2871
quote@spcs-ins.com
www.spcs-ins.com

**SMITH
PETRIE
CARR &
SCOTT
INSURANCE
BROKERS LTD.**

CONSTRUCTION COMMENT

The Official Publication of the Ottawa Construction Association



If your firm hasn't already
booked an advertisement
with *Construction Comment*,
what are you waiting for?

**Industry news
at your fingertips**

BOOK TODAY!

*Reserve your space
today for as little as
\$220 per issue.*

Tel: (613) 236-0488

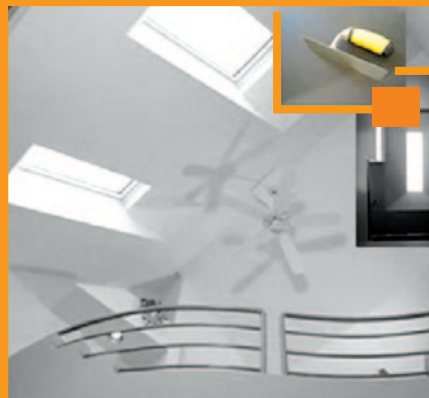


Walls & Ceilings Contractors Association

**FOR A PROFESSIONAL DRYWALL OR
INTERIOR FINISHING JOB CONTACT THE PROS.**

We deliver first class work using properly trained, fully qualified journeymen.
Supervision is the key with an emphasis on safety.
Contact the contractors listed on our website.

WACCA CONTRACTORS DELIVER



wacca.ca

skill@wacca.ca

613 769 3935

Acc-Par Systems Ltd.
Acoustique SM
Aries Contracting (Ottawa) Inc.
Antonick Interiors Inc.
B J Normand Ltd.
C Giamberardino Contracting Inc.
Credal Construction
Donovan Lebeau Ltd.
Durabuilt Construction Inc.
E Chaffey & Son Contracting
Evolution Drywall & Acoustic
Ferano Construction Ltd.
Groupe Piche Construction Inc.
Integral Construction
Korban Ltd.
M&M Interior Contracting
Marcantonio Constructors Inc.
Nation Drywall Limited.
Ottawa Acoustic R L
Partition Plus Construction Ltd.
Sapacon Drywall Ltd.
SERCO Construction Ltd
Soubliere Interiors Ltd.
Source Four Construction Ltd.

Executive Director, Don Sutherland

OCA reports successes in 2019

Photos by Marilyn Mikkelsen



Departing chair Wayne Jennings highlighted the association's achievements in 2019.



The association's annual general meeting on March 11 attracted more than 300 guests.

The Ottawa Construction Association hosted its annual general meeting on March 11 at the Infinity Centre. More than 300 people attended.

In addition to reporting an operating surplus and a strong balance sheet for the year ending December 31, the association also reported growth in its membership base and education programming.

In his end-of-term remarks to the membership, outgoing Chair Wayne Jennings pointed to some of the achievements the association had made

with regard to his goal of positioning OCA as a centre for construction education and training. Specifically, he pointed to the increased training and education space available to members in OCA's new facility, and the fact that the OCA also hosted more than 120 courses at its training centre, and attracted more than 3,400 participants.

He also pointed to the great success that was the association's first-ever Construction Symposium and Trade show in February 2019. The event attracted more than 600 visitors.

"Feedback was so strong that it was an easy decision to expand the event to two days for 2020," he said. "The event was a huge undertaking but the great staff at the OCA is more than up to the task."

Jennings also pointed to the record volume of construction activity performed by OCA members last year. The City of Ottawa issued more than \$3 billion worth of building permits in 2019.

"As the industry grows and becomes evermore complex and sophisticated, the OCA will continue to play a major role in helping our members obtain the training and certifications they need to succeed," he said. "OCA, meanwhile, will continue to advocate on their be-



OCA chairman Danny Dillon (far right) recognizes those members celebrating 25- and 50-year anniversaries as association members.

half to ensure the great relationships we share with local buyers of construction services remain healthy and productive.”

Following his remarks, Jennings introduced incoming Chair Danny Dillon. Dillon, who is the president of the DILFO group of companies, has served on the OCA’s board of directors since 2013.



Dillon has worked at DILFO for more than 30 years, having worked his way through the ranks of estimator, fabrication shop manager, project manager and vice-president.

“As Chairman, my aim is to support OCA’s growing focus on programs for member education,” he said. “I also believe strongly in the value of Lean principles in construction. I want to promote education programs that will help members learn about Lean principles and apply them in their businesses.”

Lean construction practices, he said, can help companies become more efficient and work safer—thereby boosting productivity—in the face of looming labour shortages.

Dillon also indicated that, in light of the success the association enjoyed at its 2020 Construction Symposium and Trade Show—and in particular its Youth Engagement zone—he would put even further emphasis on the role played by the OCA in promoting the skilled construction trades to youth.

“Our annual ConstrucTOURs and the Youth Engagement zone at our symposium are great examples of the work we do to promote our industry to youth,” he said. “I hope to spend more time this year reaching out to schools and guidance counsellors to make them even more aware of the partnership opportunities available to them.”

Dillon concluded his introductory remarks by thanking Jennings for his

work as Chairman, and by recognizing the association’s previous past-Chair, Brian Vlaming, for his contributions to the board of directors.

His first official act as chairman was to recognize those OCA members celebrating 25- and 50-year anniversaries as OCA members. Those firms included 50-year celebrants Univex and Covertite Eastern, as well as 25-year honourees Active Automated Doors, Brookfield Property Partners, David Brown Construction Ltd., C.A.C.E. Construction (1991) Ltd., Louis W. Bray Construction Limited, DST Consulting Engineers Inc., Duron Services Ltd., Dynasty Flooring Ltd., GAL Power Systems Ottawa Ltd., Greely Construction Inc., Kanata Forming Ltd., Maggio Flooring Ltd., McMillan LLP, Pranger-Debruyne Construction Ltd., Total Fence, and X-L Air Energy Services Ltd.



OCA committee highlights

The OCA is composed of many committees, all of which are staffed by volunteers from across the membership base and the industry at large, and all of which contribute greatly to the smooth running of the association year after year. A brief summary of the achievements of each group in 2019 follows:

Membership, Charity and Promotions Committee

OCA donated more than \$38,000 to local charities in 2019, including to the Royal Ottawa Foundation for Mental Health, the Ottawa Hospital Foundation, Maddy's Gala, the Dave Smith Youth Treatment Foundation, and the United Way. Meanwhile, membership in the association grew by four firms in 2019—for a total of 1,155 companies.

Standard Practices Committee

The members of OCA's Standard Practices Committee met regularly with officials from the City of Ottawa to help ensure the smooth delivery of the city's annual construction budget of more than \$600 million. Committee members also worked closely with the city to review the roll-out of the forthcoming requirement for contractors to possess independently certified and audited occupational health and safety management systems, and to ensure the smooth and fair implementation of the city's Vendor Procurement Management program.

Committee members also worked alongside such purchasers as The Ottawa Hospital, Ottawa Community Housing Corporation, the National Capital Commission and Carleton University to discuss the purchasers' respective approaches to construction procurement.

Ottawa's Young Construction Leaders

Ottawa's Young Construction Leaders hosted a series of social evenings throughout the year, as well as such signature events as their annual charity poker tournament, golf tournament, and scotch and wine tastings. The group hosted an education panel in April where young executives discussed their paths to success, and a community build project in the summer in support of Ottawa's first pet-friendly women's shelter.

Plansroom Committee

Although activity dropped slightly in the OCA's plansroom in 2019 (volume was down about 4 percent compared to the previous year), the big news of 2019 was that OCA had entered into an alliance with six other Ontario local construction associations to share plansroom projects and information. The Link2Build plansroom platform was developed with the guidance of a technical team that included OCA's own Michael Roy, and offers a variety of features that allow members to customize their plan room experiences, and subscribe to and track projects across the province.

Entertainment Committee

The Entertainment Committee again hosted a suite of successful events in 2019, ranging from casual affairs such as an Ottawa RedBlacks CFL game to the annual black-tie Christmas Gala at the Chateau Laurier. Other signature events on the OCA's calendar included the spring and fall golf tournaments, the Chairman's Reception, the Curling Bonspiel, and the inaugural 2019 Construction Symposium and Trade Show.

Property Committee

After successfully coordinating the construction and occupancy of OCA's new home on Antares Drive in 2018, the Property Committee began winding down its operations in 2019. Its last task was to secure occupancy of the tenant space at the OCA's facility, which it did in the fall. OCA continues to offer space for rent in the form of meeting rooms for any members that need space for gatherings.

Construction Comment Magazine Committee

The OCA's *Construction Comment* continued to publish 10 issues a year with articles covering the depth and breadth of the local construction industry. Some of the major stories covered in the magazine in 2019 included the roll-out of prompt payment in Ontario, the end of THE RIDE, the Ministry of Labour, Training and Skills Development's accreditation announcement, changes to the WSIB's premiums and its announced Health and Safety Excellence Program, and several profiles of the excellent work being done by the association's members.

Education and Safety Committee

In its new strategic plan, OCA committed to offering more education and training opportunities to its members in the coming years. True to form, the association offered more than 120 programs in 2019—on topics as varied as Working at Heights, avoiding construction disputes and addressing mental health. These attracted a combined total of more than 3,400 participants. OCA's Education and Safety Committee also coordinated the association's annual ConstrucTOURs and helped coordinate the youth engagement zone at the 2020 Construction Symposium and Trade Show.



Publish Certificates of Substantial Performance (CSPs) and other notices FOR JUST \$199

Link2Build.ca is a new construction-industry portal owned and operated by seven of Ontario's local construction associations, including OCA. In addition to publishing daily news articles about goings-on in and around our industry, Link2Build will be a hub for plans and specifications posted across the province, and will offer contractors and owners a new forum to publish mandatory legal notices, such as Certificates of Substantial Performance—at a price of less than half of what other publications charge.

All the fees charged for publishing CSPs on our site are returned directly to the seven members of the Link2Build alliance.

Turn to Link2Build.ca first for publishing:

- Certificates of Substantial Performance
- Notices of Non-Payment of Holdback
- Notices of Termination
- Certificates of Completion of Subcontract
- Notices of Intention to Register a Condominium

Learn more at www.link2build.ca



Link2Build
ONTARIO



'Taking a holiday from history'



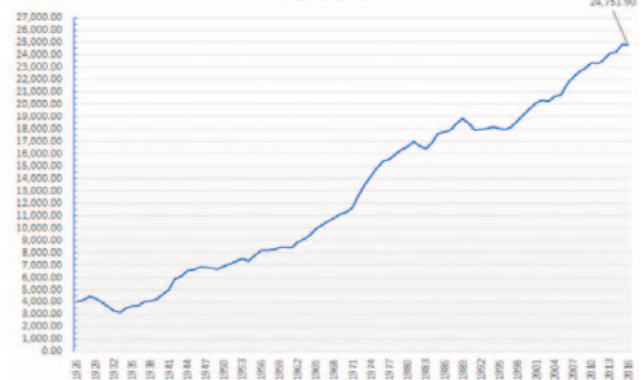
Dr. Ian Lee addresses the membership at OCA's annual general meeting on March 11.

The guest speaker at OCA's annual general meeting suggested that the doom and gloom messaging traded back and forth during last fall's federal election was overstated.

Despite what you may have heard during last fall's federal election campaign, Canada is not falling apart at the seams.

Dr. Ian Lee, a professor at the Sprott School of Business at Carleton University, spoke at the Ottawa Construction Association's annual general meeting on March 11. His message to the audience: Canada is certainly not without its problems, but any sentiments about income inequality, the erosion of the middle class, senior poverty and housing affordability were entirely overstated. He characterized such debates dur-

Canadian Annual Real Household Disposable Income per capita for 1926 to 2016

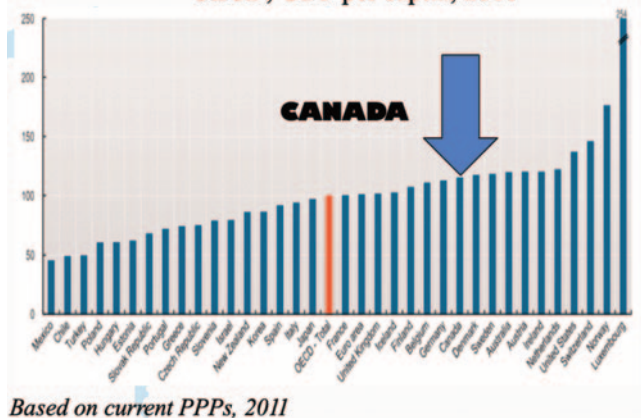


ing the election as "a giant bidding war to address imaginary crises."

"If you were new to Canada during fall election, you would think that we were a third-world country with collapsing wages, grotesque inequality, and where a tiny number of people held all the wealth, and everyone else lived in abject poverty," he said. "In fact, when you look at the empirical data provided by such organizations as the OECD and other reputable organizations, Canada compares extremely well with the rest of the world."

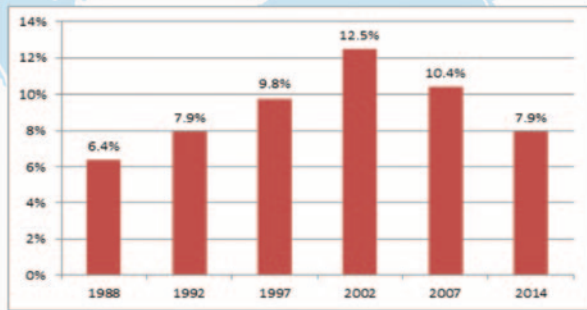
Dr. Lee began by debunking the myth put forward by electioneers that suggested that Canada's middle class was in dire straits. He presented evidence from Statistics Canada that shows that real per-capita household income in Canada has risen to record levels between 1926 and 2016. Moreover,

OECD, GDP per capita, 2011



Based on current PPPs, 2011

HESA (Stats Can.) Percentage of Average After-tax Earnings of Graduates, 2 Years Out, Required to Service an Average Student Loan



Canada ranks among the top 10 OECD countries in terms of disposable household income per capita. And to the point raised by some that income inequality is a massive problem in our country, he presented evidence showing that the top one percent of the country's earners hold about 10 percent of its wealth.

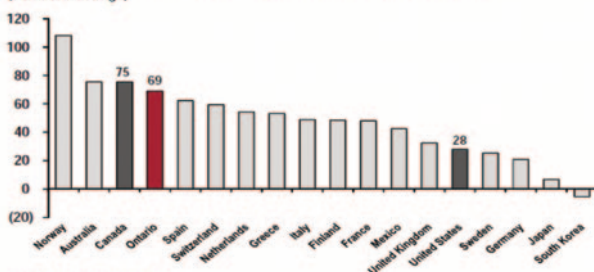
"Anti-poverty NGOs claim that poverty is increasing in Canada," he continued. "In fact, poverty has never been lower than it is today."

Statistics Canada data shows that in 1967, one in four Canadians earned below the low-income cutoff (LICO) line. By 2019, that figure had dropped to just 8.7 percent. What's more, he added, the notion that poverty among seniors is a massive problem in Canada is also false. Indeed, while less than nine percent of the country as a whole lives below the LICO line, less than 4 percent of seniors.

He presented a similar message about students' and graduates' overall financial health. Where the Canadian Federation of Students has argued that students and graduates suffer from a lack of jobs, a lack of good jobs, or jobs in the gig economy, in fact youth unemployment is low, average incomes of graduates after two years in the workforce is between \$47,000 and \$67,000, and although gig economy work is highest among students, these tasks are arguably replacing minimum-wage service jobs that older Canadians also worked at similar periods in their lives.

Canada's mfg cost competitiveness eroded Unit labour costs increased by 69% from 1997-2010

Total Economy Unit Labour Cost, \$ US Market Exchange Rate, 1997-2010
(Per Cent Change)

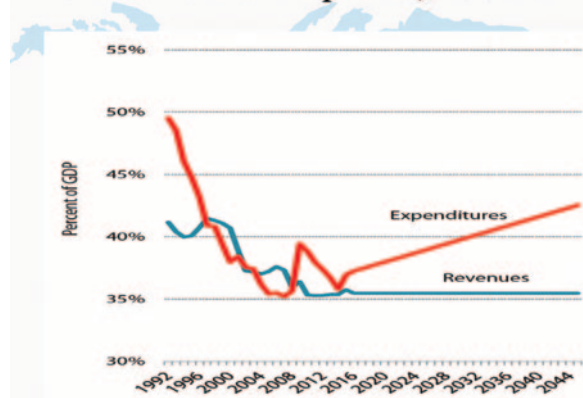


Note: 2010 or latest available year.
Sources: Organisation for Economic Co-operation and Development and Ontario Ministry of Finance.

All this said, Dr. Lee was cautious to add that Canada is not without its share of problems.

Our manufacturing sector, particularly as a share of GDP, has been tracking downwards since the early 1940s, and Canada's unit labour costs per hour—an agreed-upon measure of productivity—remains much higher than in the United States. He also pointed to the fact that spending on health care, as compared to real personal income per capita is surging to unprecedented levels. Moreover, spending on health care is highest—and rising—particularly among those aged 75 and above.

Canada's fiscal squeeze, 1992-2044

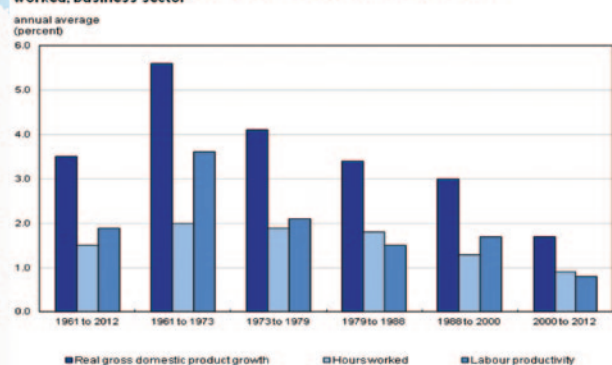


He also pointed to rising government expenditures as compared to revenues, the former of which is forecasted to grow at a significantly higher rate through 2044.

Dr. Lee concluded by speaking a bit about the effects of the COVID-19 virus on the global economy. And while the effects of the virus have caused significant financial impacts on almost every industry in the world, he cautioned the audience to remain calm.

Canada, Productivity, 1961-2012

Chart 1
Trend in real gross domestic product, labour productivity and hours worked, business sector



Sources: Statistics Canada, Canadian Productivity Accounts.

DCC CEO emphasizes innovation



In 2018–19, DCC issued more than \$1 billion in contract payments and awarded more than 1,700 contracts across the country.

For Derrick Cheung, finding new approaches to contracting and procurement is key to delivering continued value for taxpayers.

Technology, innovation and efficiencies are very much on the mind of Defence Construction Canada's new president and CEO.

Just seven months on the job, Derrick Cheung is very much in the infancy of his tenure at the Crown corporation. He's taking time to learn more about the organization, its people and its culture. As he does, he's mindful to be on the lookout for new opportunities to engage with DCC's client-partners, and to deepen its relationships with the construction industry.

"DCC has a reputation for being nimble and agile when it comes to delivering and maintaining projects in support of the defence of Canada," he says. "From a vision perspective, it's my goal to find further opportunities to engage with our client-partners and the

construction industry, and continue to add value to the taxpayer and the crown."

The cornerstones to that endeavour, he says, are using technology, accelerating innovation and adopting lean practices.

For example, DCC will break ground later this spring on construction of a

\$70-million project to build new facilities for the Royal Canadian Dragoons at 4th Canadian Division Support Base Petawawa. The project marks the first time that DCC and the Government of Canada will use the Integrated Project Delivery (IPD) construction methodology.

IPD is a collaborative alliance of people, systems, structures and practices that harness the expertise of all parties to optimize results, increase value to the owner, reduce waste, and maximize efficiency through all phases of design and construction. The contract



model replaces traditional design and construction contracts with a single, multi-party contract, where all parties work collaboratively for the collective success, of the overall project; all profits remain at risk until the work is completed.

“IPD gives us a good opportunity to foster collaboration, remove redundant processes and to leverage technology so we can deliver this project more efficiently and effectively for taxpayer,” says Cheung. “For example, it will allow us to use building information modelling for user visualization, design input, clash detection and stakeholder coordination. Under traditional construction models, some of those processes can be quite cumbersome.”

Also significant about the use of IPD on the Dragoons project is that the project is the first to be organized under the new CCDC-30 contract document developed by the Canadian Construction Documents Committee—and of which DCC’s vice-president, operations Mélinda Nycholat is a sitting member.

Enacting novel approaches to procurement is becoming something commonplace for DCC. In 2011, for example, the corporation led the procurement of the \$4.1-billion Edward Drake Building, the new headquarters of the Communications Security Establishment in Ottawa. At the time, the contract was the largest public-private partnership ever enacted by the federal government. The associated design-build-finance-maintain contract included unique security, unique IT requirements, infrastructure and financing arrangements.

As well, the corporation remains on track to fully implementing a comprehensive e-procurement system. That process began in 2016 when DCC began requiring prime contractors bidding on select contracts to submit e-bids with bid security. Two years later, the corporation expanded the scope of that endeavour to include e-bids for the procurement of goods and maintenance services. The final phase of that process—e-bidding for consultants—is being implemented.

“We spend a good deal of time working on outreach with industry associa-



tions across the country,” says Cheung. “As we keep them up to date on what we’re doing, we take their advice into consideration. That way, there are no surprises for anyone. We want industry to be interested in working with DCC, and to be excited about the efficiencies to be gained by working with us.”

Such outreach efforts also help DCC on the procurement side. The corporation routinely issues advance procurement notices to give the industry an early warning of the nature, size and scope of the projects it has planned. Doing so helps DCC to understand the industry’s appetite and capacity to deliver a particular project, and to find alternative methods for delivery if need be.

Looking ahead, Cheung’s focus will be on innovation and improvement. Specifically, he’s asking questions about how DCC can deliver projects better,

faster and with more value for its client-partners. That’s not to say there’s anything wrong with DCC’s approach to infrastructure maintenance and delivery. Far from it. Cheung has said in early interviews with DCC’s staff that he’s entirely impressed with the results-oriented culture on display throughout DCC’s offices.

“We want to take a step back to look at our processes,” he explains. “Do they add value? Are some redundant? Can they be simplified? How can we support our clients in a much more cohesive way?”

“We’re being systematic about all these things, and imagining ways we can introduce more automation, innovation, business information, analytics and technology that enables our client to study the performance of their assets, and benefit from all the information and advanced technology at their disposal.”

Backgrounder: Derrick Cheung

Derrick Cheung joined DCC on September 9, 2019.

He comes to the Crown corporation from TransLink, at which he served as vice president, strategic sourcing and real estate, and was responsible for procurement and contract management; real estate; commercial strategy and partnerships; and the environmental remediation program.

Cheung has a depth of experience with a variety of publicly traded and private organizations including those in the aviation, marine, rail and energy spaces, and in a variety of disciplines including technology, business transformation, supply chain management and real estate.



OCS reports greater optimism among contractors

44%

OF CONTRACTORS EXPECT INCREASED ACTIVITY IN ONTARIO'S ICI CONSTRUCTION SECTOR IN 2020



This year's edition of the Ontario Construction Secretariat's Contractor Survey shows that 39 percent of Ontario contractors expect to do more work in 2020 than they did in 2019.

The Ontario Construction Secretariat released the result of its annual Contractor Survey at its State of the Industry & Outlook Conference on March 5.

The survey, which takes the pulse of the industry's business outlook for the coming year and monitors critical issues affecting the industry, provides insights on construction activity, skilled labour shortages, and the adoption of new technologies.

About 500 companies from across the province responded to this year's survey. Two thirds of those were trade contractors; the rest were general contractors.

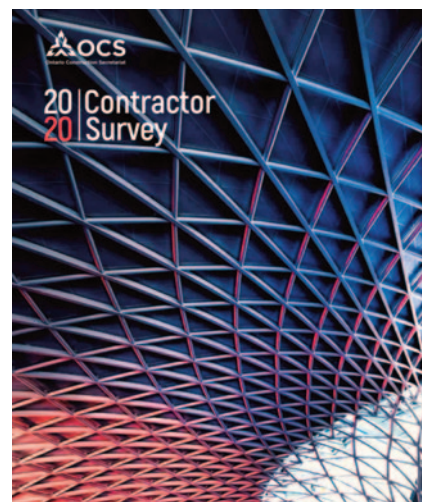
The 2020 survey found that contractors' business confidence has gone up this year in every region of the province. Overall, 39 percent of contractors expect to conduct more work this year compared to last, while only 12 percent expect less. This compares to just 33 percent of contractors who ex-

pected to see more work in 2019.

Confidence was highest among GTA contractors. Forty-three percent of respondents said they anticipated more work. The same percentage said they expected work to stay the same and 11 percent expected a slowdown.

Among Central Ontario contractors, 38 percent anticipated more work this year, while 17 percent expect less. Outlooks were similar in Eastern and Southwestern Ontario where 37 percent and 36 percent, respectively, expected work to increase this year, and 55 percent and 56 percent, respectively, believed their work levels will remain the same. In Northern Ontario, nearly a third (32 percent) expected to do more work in 2020, while nearly a half (49 percent) expected the same level of work.

Looking at Ontario's ICI construction industry as a whole rather than their own businesses, 44 percent of respon-



dents said they expected that there will be more construction activity this year, up significantly from 2019 when only 31 percent expected more activity.

Sectoral outlook

The survey looked into which contractors were most optimistic about the sectors in which they principally worked.

Nearly 40 percent of commercial contractors anticipated more commercial work in 2020; just 18 percent expected less. The high-rise residential sectoral outlook is similar. Forty-three percent of contractors expected to do more work this year and 22 percent less. In both cases, this year's optimism was about 10 percentage points higher than in 2019.

In the institutional sector, 28 percent of contractors said they anticipated more work this year; 26 percent expected less. Among industrial contractors, 26 percent expected more work this year, and 25 percent expected less. The engineering/civil sector was the only sector where contractors forecasted a net decrease in work in 2020. Twenty percent anticipated more work in the sector this year, while 34 percent expected to do less.



Sources of work

Contractors were asked where they expected work to come from in 2020. Not surprisingly, most expected their main source of work to come from bidding opportunities. Contractors estimate that 54 percent of their work will come through bidding, with 46 percent of their work won privately or sole-source.

Respondents said they expected 52 percent of their work to come from new construction projects in 2020, and 48 percent from maintenance work. Moreover, contractors expected repeat business to account for 73 percent of their work in 2020. Additionally, 83 percent of contractors anticipated working inside their local regions.

Industry challenges

Survey respondents were asked to rank seven challenges according to their potential impact to their businesses this year. Top among concerns were recruiting skilled workers and the aging workforce. About three-quarters (74 percent) of contractors considered recruitment a significant concern, and 57 percent indicated that the aging workforce is a significant concern. Sixty-nine percent (69 percent) of contractors anticipated that getting skilled labour would be more difficult this year than last, while six in ten contractors reported being affected by skilled labour shortages in the past three years.

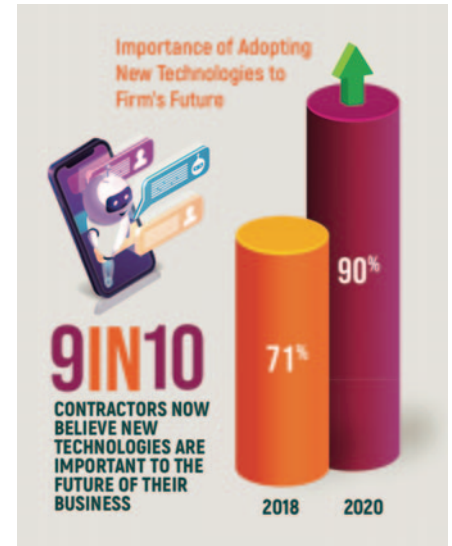
Additional concerns included the cost and availability of construction materials (39 percent), the province's political environment (35 percent), keeping up with new technologies (34 percent), green building standards (29 percent), and community benefits (20 percent).

Adopting technology

Ninety percent of contractors now believe that adopting new technologies is important to their firm's future, up from 71 percent two years ago.

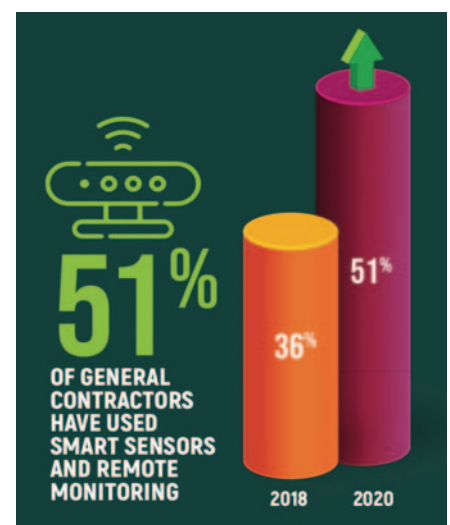
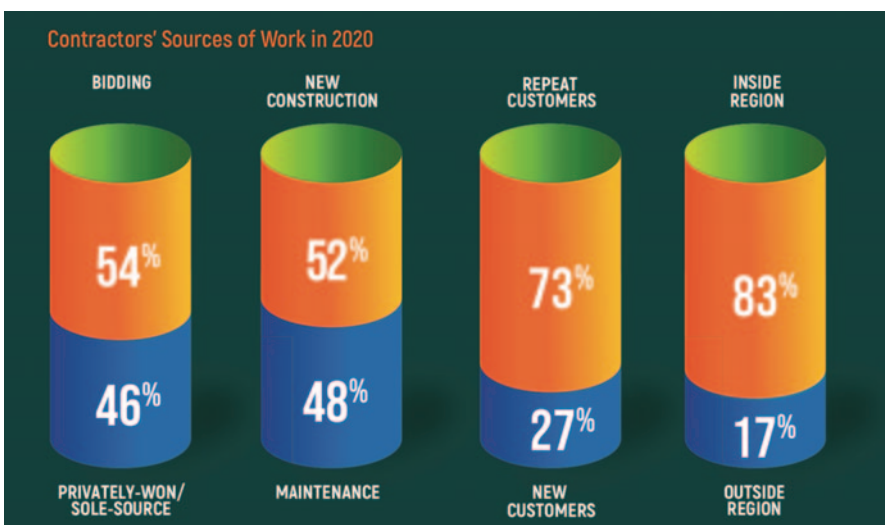
General contractors lead the way in adopting new technologies, with 26 percent now reporting a dedicated budget for new technologies, up from 16 percent in 2018. The percentage of trade contractors with new technology budgets has remained roughly the same at 11 percent.

The survey asked contractors to identify their principal motivators for using new technology. One in three reported that they did so to meet client demands, while one in five said they did so to boost productivity. Reducing costs and gaining a competitive advantage followed closely behind. Just 7 percent said they did so to offer new services to their clients.



When asked to identify the greatest barriers to technology adoption, 30 percent said cost was the biggest restriction. A lack of evidence for return on investment followed at 25 percent, and training requirements at 25 percent.

Drones, augmented and virtual reality, 3D printing, and BIM were among the technologies with the biggest increases in adoption in the industry over the past two years.



OCA offices closed, but services remain open

OCA has closed its offices on the advice of Ottawa Public Health and in an effort to help curb the spread of COVID-19.

For those members needing assistance, staff are working from home, and the OCA main phone line redirects accordingly.

Plans and documents still being printed

OCA staff are very much working at as close to capacity as circumstances allow. We will still print drawing orders and will set up pick-up times with an outside container at the back door of our facility on Antares Drive. Email any of the plansroom staff for the latest information and procedures.

Commissioner of Oaths services being performed digitally

OCA is also performing Commissioner of Oaths services remotely, as this is a service that hundreds of members use each month. For those needing to have documents signed, the process is to contact Stephanie Wallace (stephanie@oca.ca) to arrange a video conference.

(At the time of printing this issue of *Construction Comment*, Stephanie was the only Commissioner of Oaths able to provide this service. More will be added in the future.)

Please have your photo identification ready to confirm your identity. You will be asked to sign the declaration live on video, and then to scan and send the signed document to Stephanie via email. Once Stephanie receives the document, she will verify the document is complete and in order, countersign and send back the document.

The legality of this approach has been confirmed by OCA's legal counsel Dan Leduc of Norton Rose Fulbright. For those wishing to learn more about the legalities of virtual commissioning of oaths, the Law Society of Ontario has published an in-depth article on the subject on its website. Search "Virtual Commissioning" in the search bar on www.lso.ca.



Bidders to City of Ottawa: new procedure for document drop-off

The City of Ottawa's facility at 100 Constellation Drive is closed to the public. In order to facilitate the receiving of physical documents (such as signed and sealed performance bonds and contracts) during this time, the city has made arrangements to allow vendors to drop off their documents at the provincial offence's fine payment drop box which is located on the exterior of the building just to the left of the front doors.

Please ensure that your envelope is clearly labelled "for Supply Services, 4th floor West."



Check our website for the latest in COVID-19 news and information

Finally, subscribe to our newsletters and keep checking our website for the latest news and information on how to respond to the COVID-19 outbreak. We have published a list of articles and resources about how to manage the health and safety of your workforce during the pandemic, and information on how the outbreak may affect your construction activities. Visit oca.ca to learn more.

Unofficial bid results over \$500,000: FEBRUARY 2020

JOB #	DESCRIPTION		BID
OCA-20-0195	Wallace Street Watermain Replacement & Road Rehabilitation	Amco Construction and Excavation	\$541,505.00
OCA-20-0181	Russell Road (Wiltse Creek) Bridge Rehabilitation	Willis Kerr Contracting Limited	\$715,850.00
OCA-20-0104	St. Laurent South Garage - Hoist Replacements - Bays 1, 7, 8 and 9	PKS Equipment & Engineering Inc.	\$1,497,267.25
OCA-20-0103	Four Expedited Culverts	Goldie Mohr Ltd.	\$689,000.00
OCA-20-0027	RF Antenna System Replacement - CFB Kingston	Westower Communications Ltd.	\$656,055.00
OCA-19-2836	Healthcare Services Centre	Van Home Construction Ltd.	\$10,303,978.00

ABTECH Surveying Equipment

Ben Hobbs - Eastern Ontario
Sales Manager
60 Great Gulf Drive, Unit 60-61
Concord, ON L4K 5W1
T: 416-628-3735
bhobbs@abtech.cc
Section: RB&HC

Augustine Bater Binks LLP

Jonathan Richardson - Partner
141 Laurier Avenue West, Suite 1100
Ottawa, ON K1P 5J3
T: 613-569-9500 T: 613-569-9522
jmr@abblaw.ca
Section: MSS

Deka Pro Panels

Dylan Sliter - General Manager
545 Donald B. Munro Drive
Carp, ON K0A 1L0
T: 613-839-3467 F: 613-839-57836
dylan@deka.ca
Section: MSS

Diamond Empire

Joey Dwaydar - President/Owner
40 Shoreham Avenue
Ottawa, ON K2G 3T7
T: 613-604-4504
joseph@diamondempiregroup.com
Section: TRA

Ferrovial Services

Abdallah El Tannoukhi
- Project Manager
505 March Road
Kanata, ON K2K 3A4
T: 613-407-1080
Abdallah.Tannoukhi@ferrovialser-
vices.com
Section: RB&HC

Floodlight Electric Inc.

Rob McCulloch - President
62 Assiniboine Drive
Nepean, ON K2E 5R7
T: 613-371-7816
rob@floodlightelectric.com
Section: M/E

Halpenny Insurance Brokers Ltd.

Richard Massie - President
1550A Laperriere Avenue, Unit 104
Ottawa, ON K1Z 7T2
T: 613-722-7626 F: 613-722-5382
rmassie@halpenny.com
Section: MSS

Kal Tire

Adrian Read - Store Manager
2825 Sheffield Road
Ottawa, ON K1B 3V8
T: 613-747-3420 F: 613-747-4145
adrian_read@kaltire.com
Section: MSS

Masters Construction

Kevin Hubich - Sales Manager
1615 Laperriere Avenue
Ottawa, ON K1Z 8S7
T: 613-864-5095
kevin@mastersconstruction.ca
Section: TRA

Ottawa Poolworks

Bill Hughes
2900 Sheffield Road, Unit 9
Ottawa, ON K1B 1A4
T: 613-521-9444
bill@ottawapoolworks.com
Section: TRA

OCA training schedule

SPRING 2020

April 15 & 22	Webinar: Collaborating with MS Teams	10:00 a.m.
April 20 & 21	Interpreting Construction Drawings and Specifications	8:30 a.m.
April 22	Mechanics of Construction Adjudication and Prompt Payment in Ontario	8:30 a.m.
April 23	Working at Heights - Fundamentals of Fall Protection	8:30 a.m.
April 23 & 24	Construction 101 and Beyond	8:30 a.m.
April 24	Working at Heights - Refresher Training	8:30 a.m.
May 4	Construction Project Close Out	8:30 a.m.
May 7	Working at Heights - Fundamentals of Fall Protection	8:30 a.m.
May 8	Working at Heights - Refresher Training	8:30 a.m.
May 11	Best Practices to Developing Project Specific Procurement Documents - CCDC 00 & CCDC 23	8:30 a.m.
May 19	Working at Heights - Fundamentals of Fall Protection	8:30 a.m.
May 20	Working at Heights - Refresher Training	8:30 a.m.
May 25	Working at Heights - Fundamentals of Fall Protection	8:30 a.m.
May 26	CCDC 2 & Master Specification for Division 01 General Requirements	9:00 a.m.
May 29	WSIB Health and Safety Excellence Program	9:00 a.m.
June 8	Working at Heights - Fundamentals of Fall Protection	8:30 a.m.
June 9	Working at Heights - Refresher Training	8:30 a.m.
June 19	Gold Seal Certification Information Session	9:00 a.m.
June 22	Working at Heights - Fundamentals of Fall Protection	8:30 a.m.
June 23	Working at Heights - Refresher Training	8:30 a.m.
June 26	Construction Management Contracts - CCDC 5A & 5B	9:00 a.m.

KELLY SANTINI LLP|SRL

lawyers | avocats

Resolving Construction Disputes

- Liens & breach of trust
- Debt recovery
- Mediation & arbitration
- Employment
- Delay claims
- WSIB
- OHSA

Eric Appotive | 613-670-8002
Stephen Kelly | 613-238-6321

Shawn O'Connor | 613-231-2532
Allison Russell | 613-670-8008

Understanding what matters. Every client. Any issue.
What's important to you is essential to us.

kellysantini.com

Message from Ottawa Chief Building Official Frank Bidin

Building Code Services has been working diligently to address the emerging issues related during the COVID-19 outbreak. While the health and safety of our community and our dedicated team of professionals remains a top priority, continuing to service our clients and industry stakeholders has presented significant challenges to our regulatory mandate.

With the closure of all Client Service Centres, all counter services are suspended. This includes all in-person meetings with staff. While this is an ever-evolving situation, Building Code Services is continuing to process all existing instream applications. The Building Code Services eFootprint portal will remain open for current registered users.

In addition, Building Code Services (BCS) is exploring options for alternate service delivery relating to the submission of permit applications and permit issuance. More information will be available on this shortly.

Additionally, Building Code Services has taken steps to lessen the risk of transmission, and are taking further precautions to address this unique situation. In the interest of maintaining the health and safety of residents, clients and staff, we ask that inspection requests be prioritized and or deferred where possible.

Effective immediately, BCS Inspections staff will not enter into occupied areas of the following building types for the purposes of carrying out their duties:

- personal dwellings, including homes, apartments and condo units;
- long-term care facilities, seniors' residences and retirement homes;
- hospitals; and
- daycare facilities.

In consideration of the above, permit holders are encouraged to speak directly with their assigned inspectors regarding options to an in-person inspection while ensuring our regulatory duties are being provided.

For inspection requests to which the above does not apply, building inspectors will be seeking confirmation that no persons in the area of the inspection are known to be ill or not feeling well, self-isolated or quarantined and that the appropriate "social distancing" will be respected during the duration of the site visit. This confirmation shall be received both in advance of scheduling the inspection, and again on site, prior to undertaking the inspection. The number of site personnel in the area where the inspection is to be carried out shall be minimized.

As you can appreciate, this situation is evolving rapidly. While we are continuing to service the industry let me reassure you that this is not business as usual. As many of our personnel are working remotely and the impact of absences related to self-isolation or quarantine continue, delays may occur. Keep in mind that patience and communication are extremely important at times of crisis.

Moving forward should you have any questions relating to permit processing or inspections please make sure to reach out to a member of the BCS management team and we will get back to you as soon as possible.

Thank you for your co-operation.

*Frank Bidin, CBCO
Chief Building Official*

GENERAL CONTRACTORS - DESIGN BUILDERS
IPD SPECIALIST - CONSTRUCTION MANAGERS
PRIVATE/PUBLIC PARTNERSHIPS - CIVIL SITE WORK

SULLIVAN
EST. 1914

WWW.SULLIVAN.CA

CARPENTERS' UNION LOCAL 783 - TRAINING CENTER
KANATA, ON

CONSTRUCTION MANAGEMENT

BEST MANAGED COMPANIES
Canadian Council for ABORIGINAL BUSINESS
COR IPDA
ISO 9001:2015 CERTIFIED COMPANY

ARNPRIOR - OTTAWA - NORTH BAY - KINGSTON

MBC
McDONALD BROS
CONSTRUCTION INC.
EST. 1988

Carleton University ARISE Building

GENERAL CONTRACTORS
DESIGN/BUILD
CONSTRUCTION MANAGEMENT
INTEGRATED PROJECT DELIVERY

DB OCA

613.831.6223 www.mbc.ca info@mbc.ca

Do you have surplus N95 or P100 masks?

If yes, The Ottawa Hospital could use them as they have a limited supply in their warehouse.

OCA is asking all members to donate surplus masks to the hospital. Their warehouse manager will keep a list of all donations so that if they are not required when this winds down, they could be returned.

To date, OCA members have donated more than 15,000 masks to local hospitals. Thank you to those firms that have contributed to this important cause, and please keep up the great work!

Contact us at oca@oca.ca to learn more.

Respirator Mask Donation Update

**OCA Member Respirator Donations to Ottawa Hospitals
15,000 and counting**



N95 respirator



P100 respirator



Projects listed in February 2020

Project # 0204-0428 Owner/Agency	February 2020	Year to date
City of Ottawa	31	56
PWGSC & Other Federal Depts.	18	39
NRC	0	0
DCC	4	10
NCC	1	3
Provincial & Other Municipalities	87	145
Private Owners & Developers	3	3
Ottawa Housing	3	10
Museums	3	4
Health Care Facilities	9	14
Schools	12	14
Universities & Colleges	6	9
Brookfield	19	52
Prequalifications	8	29
Notice Only	21	40
Duplicate	0	0
February 2019	274	548
Total	225	428
% change	-17.9	-21.9

*Prequalifications and Notice Only were previously combined in the same category.



3419 Hawthorne Road, Ottawa (ON) K1G 4G2
Tel: 613-736-1500 Fax: 613-736-0844



Rebar | Post-tensioning | Access



www.agfgroup.com



**Membership has its privileges.
Find out about all the
advantages of joining the
Ottawa Construction
Association. Visit www.oca.ca**

Guess the photo

Congratulations to Paul Mayer of Sapacon Drywall for correctly identifying our pictured building in last month's issue. It's 100 Murray Street.



Photo by Ron de Vries Photography

What building is pictured below?



If you think you know, send us a note at editor@oca.ca.

Get the Brick Colours You Want With the Sizes and Shapes You Need!



- Clay Facebrick
- Genuine Clay Paving Brick
- Thin-Brick Veneer and TABS Wall System

— all are available in thousands of variations of colour, texture and size

Catalogues and samples are available on request.

THAMES VALLEY BRICK & TILE

YOUR SOURCE FOR HIGH QUALITY ARCHITECTURAL PRODUCTS

Since 1970

OTTAWA: (613) 739-5859

www.ThamesValleyBrick.com

#9-5115 Harvester Rd., Burlington, ON L7L 0A3

Burlington: (905) 637-6997 Toll free (800) 567-5800

email: info@ThamesValleyBrick.com

SPECIALTY TRADE CONTRACTING



"CONCRETE PERFORMANCE RESTORING EXCELLENCE"

- Parking Garage Rehabilitation
- Balcony Rehabilitation
- Traffic Deck and Pedestrian Coatings
- Epoxy Flooring
- Polyurethane Injection
- Pressure Grouting
- Carbon Fiber Reinforcing

ALTI CONSTRUCTION LTD.
51 ALTI PLACE • OTTAWA, ONTARIO • K2R 1E6

WWW.ALTICONSTRUCTION.COM

PHONE: 613.741.3311 FAX: 613.741.1044

MEMBER OF THE OTTAWA CONSTRUCTION ASSOCIATION

RESERVE YOUR SPACE TODAY



BOOK TODAY!

Reserve your space today
for as little as **\$220 per issue.**

Size	Insertions 1 x	5x	10x
1/8 page	440	300	220
1/4 page	605	470	330
1/2 page	935	770	605
full page	1,540	1,265	1,100

9 Antares Drive, Ottawa, ON K2E 7V5

Phone: (613) 236-0488

If your firm hasn't already booked an advertisement with *Construction Comment*, what are you waiting for?

Industry news at your fingertips

As the region's only full-colour, construction news magazine, each issue of *Construction Comment* brings you the industry news you need to know, coupled with insightful commentary from some of the best known names in the business.

Your ad gets noticed

Every issue of *Construction Comment* is mailed direct to OCA member firms, design professionals and many key purchasers of construction products and services in the public and private sectors.

In short, by advertising in *Construction Comment*, your ad gets noticed by the people who count.

A blue and white helicopter is shown in flight, lifting a large, rectangular metal cage from the ocean. The cage is suspended by a cable and is partially submerged in the water, creating a splash. The background is a clear blue sky and a calm sea.

**WE DON'T
JUST REMOVE
THE PROBLEM.**

WE SOLVE IT.

Slate Island Coast Guard Station Project - 2016
Lead Remediation and Landfill Waste Removal

Servicing Eastern Ontario, Quebec and Atlantic Canada, Inflector Environmental Services is a full-service company providing:

- asbestos abatement
- mould and lead remediation
- general demolition
- emergency response
- industrial specialized equipment rental

It is our exceptional ability to innovate, organize and implement complex projects, on time and on budget that sets us apart.



OTTAWA (HQ)

613-798-8070

operations@inflector.ca

ATLANTIC CANADA

902-481-5184

operations@inflector.ca



INFLECTOR.CA | TOLL-FREE: 1-866-208-3736