

# DAILY COMMERCIAL NEWS

## AND CONSTRUCTION RECORD

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Grand Valley Construction Association members urged to look beyond stimulus

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Look beyond the March 2011 termination of the federal infrastructure stimulus program, members of the Grand Valley Construction Association (GVCA) were told at the association's second annual PACE event.

With the possible exception of continuation money for projects already underway, there isn't going to be any extension of the stimulus program. Rather than bemoaning that fact, owners and consultants should start looking for new opportunities and projects and critically assess their way of doing business, suggested Brian Watkinson, principal of consulting firm Strategies 4 Impact!

"Create your own projects. Don't just wait for an RFP," Watkinson urged audience members, citing the example of an architect and builder who approached a municipality with a proposal to build a community centre on land they owned.

Watkinson was one of the speakers at the PACE (Planning/Procurement, Access, Capacity and Expectations) event, part of an ongoing Grand Valley association program to engage non-construction members.



Brian Watkinson

Watkinson said many of his clients are dissatisfied with how the construction industry is operating under traditional delivery methods and are increasingly looking for new procurement and delivery options.

Owners are considering public private partnerships, design-build, construction management and integrated project delivery, which Watkinson said has been successfully used by Waterfront Toronto to redevelop the city's harbour lands.

What he called the "second wave of P3s" now underway in Canada demonstrates the model's success and has generated a set of best practices. "We don't have to look to the U.K. and Australia anymore (for information)," he said.

Watkinson urged the participants to embrace the principles of "lean construction," a management method that seeks to constantly improve efficiency and create value for the project owner.

Building information modelling, he said, is a prime example of a lean principle in action, but, so far, it is designers who are using BIM, while "the construction industry is dragging its heels."

As the infrastructure funding program winds down, construction players should stay tuned for the release of details on Ontario's 10-year infrastructure plan sometime early next year, said Andy Manahan, executive director of the Residential and Civil Construction Alliance of Ontario (RCCAO).

The alliance provided input into the plan when it met with infrastructure minister Brad Duguid in July and supplied him with the conclusions of its [Public Infrastructure Report](#), said Manahan.

Prepared by RiskAnalytica, the report concluded that underinvestment in infrastructure will hurt Canada's future prosperity, limiting GDP growth, company profits and worker incomes.

This finding provided RCCAO with ammunition in its long-term lobbying campaign urging a more strategic approach to infrastructure investment.

A key finding of the report was that standard projects such as road widening and bridge replacements, require, on average, 19 months going through the environmental process.

That process is now under review following the release of a second report and an alliance meeting with transportation minister Kathleen Wynne, said Manahan.

As for recent economic trends, the audience was provided with an overview by Mark Casaletto, managing director of Reed Construction Data.

“We are in a recovery,” said Casaletto, pointing to last summer’s interest rate rise — the first in the G8 group of nations — and the fact Canadians are now spending at the same levels they were before the onset of the recent recession in 2008.

By 2015, the resource and construction sectors will be the drivers of economic growth as activity in the Alberta oil sands rebounds, he said.

There are also hopeful signs that mining exploration in Northern Ontario’s the Ring of Fire region is generating construction activity.

With the stimulus program ending in March and uncertainty about private-sector construction investment picking up, the first quarter of 2011 represents “a crossroads,” he told the audience.