

# DAILY COMMERCIAL NEWS

## AND CONSTRUCTION RECORD

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Infrastructure

Roadbuilders urge deadline extension for stimulus funding

Weather, regulations barriers to hitting stimulus project deadline

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A six-month completion deadline extension for outdoor projects attempting to secure federal stimulus funding would help address weather and regulatory challenges, say local road and sewer building associations.

“The climate realities and the nature of what they wanted for stimulus projects, with core infrastructure and so much in the road right-of-way, will take 2011 out of the equation,” says Frank Zechner, executive director of the Ontario Sewer and Watermain Construction Association.

Some municipal and industry leaders have called for an extension of at least a year to the stimulus funding which comes with a March 31, 2011 project-completion deadline.

In order to qualify for Ottawa’s \$4 billion federal stimulus funding, a project must prove it can be completed by then.

Federal infrastructure and transport minister John Baird has said that there will be no extensions.

Zechner says that in most of Canada, road and pipe construction season generally ends by November 30. In places such as Northern Ontario, Quebec, Manitoba and Saskatchewan, it ends much earlier than that.

By the time winter, snow, ice and frost are no longer a factor, for outdoor construction, it will be early April of 2010 with the possible exception of lower Vancouver Island, Windsor and the Niagara peninsula.



Frank Zechner

“That would suggest that outdoor sewer, watermain and road projects that have a March 31, 2011 deadline have to be completed by November 30, 2010,” says Zechner. “What in headlines is a two-year stimulus package therefore becomes a 13 to 14 month stimulus project.”

Municipalities applied for federal stimulus funding by May 1 of this year and they could learn by mid-June whether their specific projects are approved. Even with a four- to six-week fast-track call for tenders by municipalities, followed by an approximate three- to five-week period for contractors to prepare bids, this leaves a bid closing date of late August, Zechner says.

“Bid evaluation and award of the contract then takes us to late September 2009,” he says. “Mobilization by the contractor, requesting and obtaining utility locates, etc. then gets us into October to actually allow shovels to hit the ground.”

Besides weather challenges, the regulatory hurdles which come with projects, once they are approved, will create delays that should be accounted for, says the Ontario Road Builders’ Association (ORBA). The association is already seeing an increase in requirements for certificates of approvals for many types of construction activities. Even a six-month completion deadline extension could help mitigate those delays.

“There will be delays not just due to weather but also delays thanks to the regulatory requirement application period,” notes Karen Renkema, ORBA’s government relations director.

“Whether it is a water-taking permit, or blasting one, any of that can delay a project from six to eight weeks, in some cases — for some of these certificates of approvals; they can wait six to eight months.”

The province should take the opportunity to be innovative, Renkema says. For example, if a project is delayed by five months, because it had to wait that long for a water-taking permit, then that project’s completion deadline should be extended an extra five months.

“The federal and Ontario governments should be taking a good hard look at what projects will be delayed and what will be the delays getting them off the ground,” says Renkema. “Even though they may be shovel-ready for tender does not mean that the certificates of approval have been applied for. None of that has been done until a project is awarded.”

The Residential and Civil Construction Alliance of Ontario (RCCAO) agrees that if regulatory approves take longer than expected, completion deadlines should be extended accordingly. Also, the economic slowdown could last longer than expected.

“We need fixed strategic priorities and not artificial set deadlines, flexible parameters will definitely help,” notes Andy Manahan, RCCAO executive director.