



Construction & Design Alliance of Ontario

May 21, 2020

The Right Honourable Justin Trudeau, P.C., M.P.
Prime Minister of Canada
Langevin Block
Ottawa, ON K1A 0A2

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

Dear Prime Minister:

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

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

We would like to commend the Government of Canada for its leadership to date in addressing the impacts of the COVID-19 pandemic and taking a collaborative and inter-ministerial approach to address these efforts. As the federal government continues to address the health and safety of Canadians and begins to chart the economic path forward, there are several recommendations that CDAO believes would be pertinent in this recovery effort.

Our recommendations focus on a multitude of industry issues, including occupational health and safety; infrastructure investments; sustainability and resiliency; innovation and technology. Most of our recommendations also advocate for a phased approach on any stimulus funding that is being considered: accelerated works, where possible but with a view to long-term community benefits.

We appreciate the fact that any economic recovery will be subject to satisfying several fundamental criteria, including sustained pandemic decline and, ultimately, an absence of new infections, continued widespread public testing and contact tracing as well as healthcare system capacity.

The Ontario government considers most construction as being essential and has implemented a phased approach to opening construction fully. As of May 19, the Government of Ontario has lifted all essential workplace limits on construction and has allowed all construction activity to proceed in the province. We will continue to ensure that the enhanced processes and procedures are in place to maintain healthy and safe sites. CDAO and its members will carry on meeting the high standards of care to limit exposure to our staff and workers, and will continue to invest in the health, safety and wellness of everyone involved.

With the collective weight of our membership-based organizations, the CDAO has a keen understanding of the issues facing the design and construction sectors during the COVID-19 pandemic across Ontario, at both the provincial and municipal levels, which is applicable right across Canada. Our members hold a wealth of knowledge about how legislative, regulatory, and policy issues could impact the actual design and construction of critical infrastructure, especially as the economic recovery begins.

CDAO looks forward to continuing to work with all orders of government as we collectively recover through this challenging time. We appreciate the opportunity to comment and would be happy to address any questions that may arise from the above information. Please do not hesitate to contact Saskia Martini-Wong at 416-200-2102 or via email at smartiniwong@associationperformance.ca) if you have any questions.

Yours sincerely,



Sandro Perruzza
CEO, Ontario Society of Professional Engineers (OSPE)
Chair, Construction and Design Alliance of Ontario (CDAO)

CDAO Member Associations

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

Concrete Ontario
www.rmcao.org

Consulting Engineers of Ontario
www.ceo.on.ca

Heavy Construction Association
of Toronto
www.hcat.ca

Mechanical Contractors
Association of Ontario
www.mcao.org

Ontario Association of Architects
www.oaa.on.ca

Ontario Association of
Landscape Architects
www.oala.ca

Ontario Electrical League
www.oel.org

Ontario General Contractors
Association
www.ogca.ca

Ontario Home Builders'
Association
www.ohba.ca

Ontario Road Builders'
Association
www.orba.org

Ontario Sewer & Watermain
Construction Association
www.oswca.org

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

Residential Construction Council
of Ontario
www.rescon.com

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

Surety Association of Canada
www.suretycanada.com

Copy to:

Hon. Catherine McKenna, Minister of Infrastructure & Communities
Hon. Chrystia Freeland, Deputy Prime Minister and Minister of Intergovernmental Affairs
Hon. Bill Morneau, Minister of Finance
Hon. Jonathan Wilkinson, Minister of Environment and Climate Change
Hon. Navdeep Bains, Minister of Innovation, Science and Industry

LIST OF RECOMMENDATIONS

1. OCCUPATIONAL HEALTH AND SAFETY

- 1) *Health and safety on job sites remains industry's number one priority.*

2. INFRASTRUCTURE INVESTMENTS

- 1) *Establish a two-phase funding program.*
- 2) *Seek out opportunities for regionalizing the management of infrastructure in small- and medium-sized municipalities.*
- 3) *Ensure that infrastructure stimulus funding is allocated to capital projects based on evidence-based, business-case approaches, supported by asset management plans for municipal projects.*
- 4) *Place more emphasis on the role of organizations such as Infrastructure Ontario and the Canada Infrastructure Bank in assisting the municipal sector deliver major infrastructure projects.*
- 5) *Help municipalities complete public construction and infrastructure projects.*

3. RESILIENCY AND SUSTAINABILITY

- 1) *Upgrade all existing building stock to improve resiliency and energy efficiency.*
- 2) *Utilize our COVID-19 response to achieve climate stability.*

4. SKILLS AND TALENT

- 1) *Continue investing and supporting training and education programs in the construction industry as skilled trade shortages continue to be a factor*

5. INNOVATION & TECHNOLOGY

- 1) *Work with the provincial governments to upgrade and modernize the digital infrastructure that will ensure businesses and workers succeed.*
- 2) *Invest in Ontario's Mining Industry, in building access corridors in Northern Ontario communities and resources, including the development of the Ring of Fire.*

1. OCCUPATIONAL HEALTH AND SAFETY

1) Health and safety on job sites remains industry's number one priority.

CDAO and its members worked diligently to develop and implement COVID-19 sector specific protocols for construction sites. Our industry has also implemented additional health and safety parameters to ensure that construction operations are maintained in a properly controlled work environment, including staggering shifts, maintaining physical distancing and other measures implemented through on-site joint health and safety committees that are necessary to meet the COVID-19 guidelines set by the Ontario Ministry of Labour (MOL).

Our members will continue to work within existing MOL and Infrastructure Health and Safety Association (IHSA) guidelines. We will continue to place the highest priority on occupational health and safety by working through joint health and safety committees as well as specific sector health and safety committees to ensure that all concerns are addressed before they become issues.

2. INFRASTRUCTURE INVESTMENTS

1) Establish a two-phase funding program.

We propose the restart of the broader construction sector to be approached in two phases each with their particular purpose. The first phase should be focused on accelerated funding and funding projects at the municipal level that are already identified in capital plans for 2020 and 2021 and can be quickly readied and executed utilizing available funds. The second phase should look at transformation infrastructure (e.g., broadband access, “the big pipe”, transit lines, etc.) that will help to establish a more attractive environment for private capital investments (e.g., new residential and commercial developments).

2) Seek out opportunities for regionalizing the management of infrastructure in small- and medium-sized municipalities.

Establishing economies of scale and centralizing expertise in a regional level of management will help to decrease costs and increase the size and availability of project funding. The government should consider making it a condition for the application of phase 2 of the stimulus funding program that a municipality first explore regional opportunities for project funding.

3) Ensure that infrastructure stimulus funding is allocated to capital projects based on evidence-based, business-case approaches, supported by asset management plans for municipal projects.

The existence of municipal asset management plans will facilitate the prioritization of early works. Projects identified in these plans have been previously vetted and planned for at the municipal level. They have helped municipalities to stage projects in a way that meets their demands for efficient growth and prioritize projects based on need.

By utilizing these plans to select projects for investment, Ontario will be able to reduce the application timeline, and by encouraging the federal government to also utilize these criteria, investments can be made expeditiously, without the lag-time experienced in past programs that required the federal application and selection processes.

The federal government should not get involved in project selection at the municipal level for infrastructure stimulus funding where a province has a regulated process for Asset Management Plans. Instead, the federal government should establish broad governing criteria for how stimulus funding should be used (i.e. funding distribution; utilization of regulated asset management plans) and then rely on the province to be the arbiter of project selection. This would ensure that projects are staged in a manner that best meets the municipality's demands for efficient growth and would also reduce or eliminate the lag-time experienced in past federal programs which entailed an application process.

4) Place more emphasis on the role of organizations such as Infrastructure Ontario and the Canada Infrastructure Bank in assisting the municipal sector deliver major infrastructure projects.

Crown agencies and corporations will have an important part to play in the economic recovery both at the provincial and federal level. The Canada Infrastructure Bank could play a vital role in phase 2 infrastructure projects by providing capacity for new financial tools that eliminate market or “viability” gaps, which would otherwise prevent priority projects from coming online. Further, the investment capabilities of the Bank could be useful for financing infrastructure projects. On the other hand, Infrastructure Ontario would be vital in ensuring that public-private partnerships in Ontario are, where appropriate, able to work effectively for municipalities.

5) Help municipalities complete public construction and infrastructure projects.

With federal dollars already set aside for infrastructure projects, there is a good opportunity emerging to support provinces and municipalities to complete previously identified public projects that do not have the funding to proceed. Years ago, it was reported that the federal government was having difficulty spending dollars allocated to kick-start a sluggish economy. The gravity of the current situation means that experience cannot be repeated.

It is within the public's best interest to see these infrastructure projects move forward and be completed in a timely fashion. Federal support may prove integral to the completion of active projects, requiring the government to expeditiously push out any of the unspent infrastructure funding.

3. RESILIENCY AND SUSTAINABILITY

1) Upgrade all existing building stock to improve resiliency and energy efficiency.

The government should invest in new projects and infrastructure that meet the highest degree of energy efficiency, increasing resiliency against both energy supply disruptions (such as the recent propane shortage in Quebec) and financial shocks, while working toward reducing carbon emissions. Federally procured projects should set these same net-zero targets as minimum standards moving forward.

Such measures can be driven in the short term by adding criteria to the funding structure of shovel-ready projects. Beyond that, energy and resiliency targets need to be incorporated into the National Building Code and, by extension, provincial building codes. Implementation of a NEC/NBC Energy Step Code is a great move, but it needs to be expanded to establish performance targets and carbon intensity targets to align with 2030 and 2050 international standards. Energy use intensity (EUI) benchmarking and reporting must also be developed for all types of building and sizes.

The government ran on a plan that would result in the creation of zero emission homes and retrofitting 1.5 million homes to improve energy efficiency. As we reboot the economy, there will be no better time to implement these campaign commitments.

Now is also the time to implement these measures including the manufacturing of construction components in Ontario which can complement timelines and create additional jobs in available manufacturing facilities across Ontario while shortening delivery lead-times and thus improving development ROIs.

2) Utilize our COVID-19 response to achieve climate stability.

As we look to develop an economic response to COVID-19 and beyond, there is an excellent opportunity to expand and create new jobs and business opportunities by promoting research and local manufacturing of the building materials needed for the construction industry as it transitions to greater energy efficiency.

Products such as triple-glazed windows, advanced insulation, heat/energy recovery ventilation (HRV/ERV) units, geothermal pumps, ceramic radiant panels, grid-tied battery systems and grid-scale battery backups, photovoltaic innovations, and heavy timber assemblies can all be developed and manufactured in repurposed industrial buildings across the country.

Many of these products are currently imported from abroad, slowing down timelines and impacting efficiencies. While this would create new jobs and business opportunities, a Canada that invests in new built projects would have the additional benefit of ensuring they are resilient to the intensification of climate events. Incentivizing energy-efficient projects and encouraging the renovation and restoration of the nation's existing building stock, will result in the reduction or elimination of energy costs with positive impacts on long-term operating costs.

4. SKILLS AND TALENT

1) Continue investing and supporting training and education programs in the construction industry as skilled trade shortages continue to be a factor.

BuildForce Canada projects that over the next nine years, 2020-2029, Ontario's construction industry will need to hire, train, and retain almost 100,000 additional workers to keep pace with expected demand growth and to replace the 86,300 workers - 21% of the current labour force - expected to retire. This shortage is also reflected in professional services as well, including engineers, technologists, and architects.

Given the amount of work that an economic recovery will generate, it is imperative that industry has the necessary workforce to undertake this building program. We would recommend that the federal government consider assisting provinces as they act to streamline processes for those who wish to enter skilled trades programs and to expand the ability of training centres to provide the necessary training.

5. INNOVATION & TECHNOLOGY

1) Work with the provincial governments to upgrade and modernize the digital infrastructure that will ensure businesses and workers succeed.

COVID-19 has demonstrated that technology and high capacity infrastructure is no longer a luxury, but a necessity for both businesses and consumers to engage in today's economy. Unfortunately, access to highspeed internet is inconsistent or not available to many Canadians. In rural areas, data suggest as few as 40.8 per cent of Canadian households have access to high-speed broadband. This has made working remotely challenging to certain businesses and individuals, having an impact on economic productivity.

In an environment geared towards e-commerce and online learning solutions, we commend the government for prioritizing access to broadband internet to all Canadians, keeping in mind the need to properly connect remote and rural communities. Once construction sites open, investment in digital infrastructure will also ensure that certain simple practices and permit issuing is kept online, to help maintain physical distancing protocols. As digital becomes embedded into business models and operations, it is imperative that all of Canada's engineering companies have the capacity to operate in the new ecosystem. There is a clear chasm that exists between organizations and companies in their digital capacity. Funding digitization will enable the government to close some of the gaps that exist and keep business operating.

2) Invest in Ontario's Mining Industry, in building access corridors in Northern Ontario communities and resources, including the development of the Ring of Fire.

The Ring of Fire region of Northern Ontario, with its deposits of chromite, nickel, copper and platinum, is an immense and untapped economic opportunity. The development of this region will also provide enormous long-term benefits to Indigenous communities through increased economic activity and job creation. To realize the full economic potential of The Ring of Fire, the government must prioritize key investments in core infrastructure, as well as ways to address the needs of the labour market and Indigenous communities in this important access corridor.