CONSTRUCTION ECONOMIST

A better future for Canadians

Business Council of Canada Releases Report and Recommendations of the Task Force on Canada’s Economic Future

Leadership Interview
Dr. Nelson Ogunshakin

CIQS Office Staff Profile
Sharon Lui

Projects in Remote Communities
Patrick Cantin

Rent Control – Lenny Simonelli
Earned Value Management – Alain Gregoire
YQS Update – Shane McKernan
NEW! Professional Events Corner
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As part of our ongoing expansion, we continue to seek motivated professionals to work in a fast-paced environment. We are currently recruiting for the following positions to be located at our Oakville, Ontario Head Office and at site locations:

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2019 has been a great year for our 175+ member Cost & Project Management team!

It was great having a number of our team in town to help us celebrate and kick-off the holiday season at our annual client cocktail party.

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Tel 905.889.9996
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International update

Highlights from abroad. This year, the Pacific Association of Quantity Surveyors (PAQS) met in Kuching, Malaysia for the 23rd Congress. With a total of 550 attendees from over 20 countries all over the world, marked the largest Congress turnout in PAQS history. In typical PAQS format, all committee and board meetings took place over two days in advance of the Congress. The CIQS delegation attending the full conference included Wendy Hobbs, Education Director; Ian Duncan, CIQS International Committee Chair and PAQS Past Chair; Sheila Lennon, Executive Director; and myself.

Officiated by Guest of Honour the Chief of Minister of Sarawak, the conference included: four keynote speakers, one of whom is Minister of Works, the Chairman of AirAsia; four plenary papers; a panel discussion, including the Parliamentary Secretary to the Minister of Finance Malaysia; four sub-themes with nine papers presented in each; and one special appearance by Malaysian’s first astronaut. As well, the International Construction Measurement Standard (ICMS) committees provided updates on the adoption of the standards and highlights regarding the upcoming launch of ICMS2.

The CIQS delegates met with the Nigerian Institute of Quantity Surveyors to complete the signing of a reciprocity agreement. We enjoyed meeting and having the opportunity during the conference to learn more about their association and the economic environment in Nigeria. Many thanks to CIQS Director Indu Elapatha for her hard work to bring the two associations together, and her help with brokering the reciprocity agreement.

In October 2019, Sheila Lennon and I travelled to Brussels, Belgium for the European Council of Construction Economists (CEEC) general assembly. The meetings started with guest speaker Ilektra Papadaki, European Union (EU) policy officer who discussed digital construction and sustainable built environment on EU construction in 2020 and beyond. This was followed by Alan Muse, Vice Chair of the ICMS Standards Setting Committee (ICMSC) presenting the second edition of the ICMS Standard, officially launched in Europe. Afterwards a panel discussion led by Justin Sullivan (CEEC/ICMSC) with Alan Muse (RICS/ICMSC), Ken Creighton (RICS/ICMSC) and Gerry O’Sullivan (CEEC/ICMS SSC) discussed the global adoption of ICMS, the previous content updates, and the new content on life cycle costing included in ICMS2.

On the final day of meetings in Brussels during the general assembly, Tarmo Savolainen stepped down as President of CEEC, having completed his maximum term. Vice President, Agnete Skytte was elected as the new President for a term of two years. Agnete is the first woman, as well as the first Swiss delegate, to lead the CEEC as President.

The international meetings this year covered many engaging and well-presented topics. In my opinion, there was a strong focus on the issues of sustainability; it is a serious concern and is impacting the direction of quantity surveying profession. With technology that drives and affects our everyday lives, we sometimes overlook our disconnection to the world outside. Consider that, in the last century, constructed buildings are disposable compared to those built in previous centuries. With the current growth of urbanization moving at a pace that is predicted to be unachievable to maintain in the near future, we must refocus our goals on what is reusable and salvageable. The best comment I heard during these conferences summarized in my own words is this: “Stop thinking about demolishing the old to build the new, rather think how the new build can be transformed or transitioned into something reusable.” An example is making use of modular construction that can be used today and in the future dismantled and refigured or relocated to where needed in the future. I highly recommend that our members download a copy of the ICMS2 and become familiar with the standards, as the CIQS considers its position on supporting the industry adoption of these standard in Canada.

David Dooks, PQS(F)
Mise à jour internationale

Cette année, l'Association pacifique des économistes de la construction (PAQS) s'est réunie à Kuching, en Malaisie pour son 23e congrès. Avec un total de 550 participants venus d’une vingtaine de pays à travers le monde, l’événement a enregistré la plus grande participation de l’histoire de la PAQS pour un congrès. Dans son format classique, les réunions du comité ainsi que la réunion du conseil se sont déroulées sur deux jours avant l’ouverture du congrès. La délégation de l'Institut canadien des économistes en construction (ICÉC) qui a assisté à l'intégralité de la conférence comprenait la directrice de l’éducation, Wendy Hobbs; le président du comité international de l’ICÉC et ancien président de la PAQS, Ian Duncan; la directrice générale, Sheila Lennon; et moi-même.

Orchestrée par l’invité d’honneur, le ministre en chef du Sarawak, la conférence a été construite autour de quatre conférenciers de marque, dont le ministre des Travaux publics et le président exécutif du groupe AirAsia; quatre documents de plénière; une discussion d’experts – groupe composé notamment du secrétaire parlementaire du ministre des Finances de Malaisie; quatre sous-thématiques au cours desquelles neuf rapports ont été présentés pour chacune d’entre elles; et l’apparition extraordinaire du premier astronaute malaisien.

Les comités des Normes internationales de mesure de la construction (ICMS) ont fourni des mises à jour sur l’adoption de ces normes et sur les faits saillants liés au lancement à venir de la deuxième édition (ICMS2). Les délégués de l’ICÉC ont rencontré l’Institut nigérien des économistes en construction pour conclure la signature d’une entente de réciprocité. La rencontre avec les homologues nigériens s’est avérée positive et enrichissante, et les délégués en ont profité pour mieux comprendre leur association et l’environnement économique du Nigeria. L’ICÉC tient à saluer sa directrice, Indu Elapatha pour le travail considérable qu’elle a abattu pour mettre en contact les deux associations et pour sa contribution à la réalisation de l’entente de réciprocité.


Le dernier jour des réunions menées à Bruxelles dans le cadre de l’assemblée générale, Tarmo Savolainen a quitté son poste de président du CEEC après un mandat réussi. C’est la vice-présidente, Agnete Skytte qui a été élue pour lui succéder à titre de nouvelle présidente pour un mandat de deux ans. Agnete est la première femme et la première déléguée suisse à diriger la présidence du CEEC.

Cette année, les réunions internationales ont couvert de nombreux sujets importants et bien présentés. À mon avis, une forte attention est placée sur la durabilité; il s’agit d’une préoccupation importante ayant des répercussions sur l’orientation de la profession des économistes en construction. Alors que les technologies...
Congratulations to the following Members who have qualified as a PQS or CEC (Including reinstatements):

**CIQS – British Columbia**
- Manjinder Dosanjh, CEC
- Ferit Erderin, PQS
- Bradley van der Westhuizen, PQS

**CIQS – Members at Large**
- Mohammed Ahmed, PQS
- Lucy Akaiku, PQS
- Mirja Baig, PQS
- Yaser Moideen Koya, PQS
- Ka Wai Leung, PQS
- Olasijibomi Ojuola, PQS
- Karthick Subramani, PQS
- Chan Ming Wai, PQS
- Chong Wei Wong, PQS

**CIQS – Ontario**
- Sezen Aktan, PQS
- Olena Akther, CEC
- Jeffrey Malo, PQS
- Sukoluhle Ncube, PQS
- Odane Reid, PQS
- Asmeera Shah, PQS
- Louis Stirpe, PQS
- Joel Vezeau, PQS

**CIQS – Prairies and NWT**
- Ramesh Khadka, PQS
- Richard Malthouse, PQS
- Manish Sawrangpate, CEC
- Rajiv Shrivastava, CEC

Congratulations Corner
Let’s build our community together

IQS is seeking qualified members to help us achieve our vision, move our projects forward, and provide leadership and support on various issues affecting our industry.

Volunteers are the backbone of any non-profit organization, but since the emergence of online communities and an increasing rate of people switching jobs and careers, there has been a decline in volunteerism across Canada (StatsCan). Over the last few years, the CIQS has felt some of this decline but we are hoping to change the hearts and minds of our members and bring our volunteers back.

You have worked, or are working, hard to earn your CIQS designation. It is now up to you how much, or little, you want to gain out of your CIQS membership. Volunteering with us offers you the opportunity to:

• Grow your personal brand
• Make long-lasting friendships
• Build your business networking
• Gain valuable leadership experience.
In return, our volunteers:
• Help make our events a success
• Lead industry-specific interest groups
• Offer insight and subject matter expertise on our committees.

Make a difference in your industry and your professional organization. Become a volunteer today.

Current opportunities

CONGRESS PROGRAM COMMITTEE
• Three positions available: Chair and committee members.

CIQS PUBLICATION
REVIEWS AND REVISION
• Construction Planning and Scheduling: update to the 1997 edition

CONSTRUCTION ECONOMIST
MAGAZINE
• Assistant to the Editor: assist with journal content development (see ad on page 30).

Future opportunities

CIQS NATIONAL BOARD
• Three vacancies for the 2020 election

CIQS SPOKESPEOPLE
• Multiple opportunities from student engagement to lobbying

MENTORSHIP PROGRAM
• Multiple opportunities as we build the mentor database

CHAPTER AND COMMITTEE ACTIVITIES
• Events, Chapter Executive roles

To learn more about our volunteer positions, visit www.ciqs.org/volunteers or contact us at slui@ciqs.org.

All About Designations

In 1988, CIQS obtained the marks PQS (Professional Quantity Surveyor) and the French equivalent ECA (Économistes en Construction Agréé). These designations replaced MCIQS. Later, CIQS also obtained the official marks CEC (Construction Estimator Certified) and the French equivalent ECC (Estimateur en Construction Certifié). CIQS grants Members a license to use these designations provided they are qualified and in good standing. Here is a list of acceptable (provided you are a qualified member of CIQS and in good standing) and unacceptable designations:

<table>
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<th>Acceptable</th>
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<tr>
<td>✓ Professional Quantity Surveyor</td>
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<td>✓ PQS</td>
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<td>✓ Construction Estimator Certified</td>
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<tr>
<td>✓ CEC</td>
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<tr>
<td>✓ Économistes en Construction Agréé</td>
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<td>✓ Estimateur en Construction Certifié</td>
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<td>✓ ECC</td>
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<td>✓ Économistes en Construction Agréé(F)</td>
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<tr>
<td>✗ MCIQS</td>
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<tr>
<td>✗ ACIQS</td>
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<td>✗ PQS (In training)</td>
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<tr>
<td>✗ PQS(R)</td>
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<td>✗ PQS (Intern)</td>
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CIQS leaders: roles, achievements, and thoughts

Arif Ghaffur
CIQS Director

Current Employer: Lakeland Consulting Inc.
Qualifications: BSc (Hons), PQS(F), MCIArb, FRICS
Experience: 35+ years in the international construction and engineering industries
Board Involvement: Director of CIQS National Board, Editor of Construction Economist
Interests: Contributing to a sustainable profession and community

Vision:
To continue in sharing knowledge and learning in the arena of Construction Economics. Developing professionals and emerging leaders. Giving back to the profession.

Primary Achievements:
1. Won academic achievements and excellence awards
2. Obtained internationally recognized professional designations
3. Achieved fellowship recognition (CIQS & RICS)
4. Elevated Construction Economist journal
5. Developed seminars and symposiums addressing current topics

Current Initiatives:
1. Joint Construction and Project Management Seminar (7th year)
2. Mentor & Mentee, Future Leaders Networking Initiative
3. Representative on Federal/Industry Real Property Advisory Council (FIRPAC)
4. Young Quantity Surveyors (YQS) & Stakeholder Engagement Committees
5. Construction Dispute Resolution Symposium, 2020
6. Construction Economist continued enhancements

The future of CIQS and Quantity Surveyors:
Success of profession is based on the retention of members, member engagement, member involvement, and a solid succession management plan. The CIQS’s 60th anniversary marks a further milestone as CEs continue to be key contributors to Canada’s construction industry. Canada’s international reputation and the CIQS are well positioned to deliver their initiatives into the next 60 years and beyond.

Tammy Stockley
CIQS-Newfoundland & Labrador President

Current Employer: Altus Group
Qualifications: PQS, MRICS
Experience: 27 years
Board Involvement: CIQS-Director
Interests: Travel, fitness training, family time

Vision:
Promoting the CIQS association for recognition of PQS as expertise that can be involved many aspects of development (from concept design, tender awarding and construction) in projects.

Primary Achievements:
1. Acting PQS since 1994
2. 27-years professionally consulting in construction economic field
3. Strong network with professional community
4. Dedication of service to the Institute on national and local levels

Current Initiatives:
1. Gaining recognition of the QS Brand
2. Lobbying
3. Bridging the gap between National and Local PQS awareness
4. Engaging in pairing with other associations

The future of CIQS & Quantity Surveyors:
Growth in membership; working to be at the forefront as leading experts in infrastructure development.

Roger Ward

Current Employer: Gwent Building Systems Ltd.
Qualifications: PQS(F) FCIOB
Experience: 40 years
Board Involvement: Past Prairies President & National Council, InEmployer Trustee Union Pension Fund

Vision
• Increase membership
• Upgrade the position of CEC to PCE
• Establish B.Tech degrees for quantity surveying/cost management and estimating
• Increase acceptance of the CIQS within secondary education institutes

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Primary Achievements:
1. Chaired first PAQS Conference in Canada
2. Construction Management
3. CIQS Fellowship awarded in 2019

Current Initiatives:
1. Developing greater involvement with the Edmonton Construction Association (Chapter Level)
2. Expanding apprenticeship training
3. Working as President of Acheson Business Association

The future of CIQS & Quantity Surveyors:
Expand the membership and develop the Professional Estimator status.

Jerry Crawford
Registrar & Stakeholder Relations

Current Employer:
Principal Director
KGC Consulting Services Ltd.

Qualifications:
PQS, PMP, GSC

Experience:
40 years combined, national and international: 30 in pre-construction and procurement, four in site experience, six in claims and dispute experience.

Vision:
To create an atmosphere of value to Membership; to learn, engage, and develop essential skillsets necessary to survive, adapt, and thrive in an era of unprecedented competition and globalization.

Primary Achievements:
1. President of CIQS PNWT Chapter 2019
2. Five years of volunteering in board positions in the PNWT Chapter since 2014
3. Completion of PMI Volunteer Mentorship Program in 2019
4. PMI International Volunteer Global Award in 2017 for community advancement
5. Volunteer of the Year at Hull Services (2015/16)

Current Initiatives:
1. Strengthening ties with urban construction associations to enhance National Canadian Construction Association awareness.
2. Developing local PNWT Chapter leaders to become candidates for the CIQS National Board in the future.
3. Hosting events with the RICS to honor and develop the MOU of Collaboration signed by CIQS National.
4. Determining where lobbying efforts can be coordinated on the CIQS National level.
5. Working toward better active engagement of the CEC members.

The future of CIQS & Quantity Surveyors:
The implementation of a two-year mentorship program for the YQS and foreign applicants could develop skillsets, and an awareness of future career possibilities. Membership could benefit from a webinar CPD training series by CIQS National. Maybe an international student/membership exchange program as well.

The biggest opportunity is a commitment to training and being involved with the dispute adjudication trend underway. Providing complimentary practical courses could help industry adapt to the new reality.
Now that the 2019 federal election is over, there is an increasing focus on the Canadian economy as many remain concerned about the future outlook and how this will directly impact them, including those employed in the construction industry. It is perhaps interesting timing that not long after the election, the Business Council of Canada released its report titled, “A Better Future for Canadians”, that broadly summarizes over 100 Canadians’ recommendations on how to improve the country’s economic future.

The Business Council of Canada identifies itself as “a not-for-profit, non-partisan organization representing business leaders in every region and sector of the country. The Council’s member companies employ 1.7 million Canadians, contribute the largest share of federal corporate taxes, and are responsible for most of Canada’s exports, corporate philanthropy, and private-sector investments in research and development.” In order to counter the challenges facing Canada’s economy, the report states that it followed wide-ranging consultation with key industry leaders and proposed a number of key recommendations, specifically:

1. Modernize the regulatory environment
   The report states that, “Canada should commit to the goal of being the most efficiently regulated country on earth, as measured by the World Bank’s ‘Doing Business’ index and the World Economic Forum’s annual Competitiveness rankings.”

2. Prioritize nationally significant infrastructure projects
   The report states, “The federal government should establish an independent statutory body with a mandate to identify and prioritize nationally significant infrastructure projects.”

   As is well known, Infrastructure development plays a key role in Canada’s economic growth as it can increase job opportunities and improve quality of life for all residents. The federal government established the Canada Infrastructure Bank in 2017 to prioritize the development of major projects; however, it has fallen short on delivering better infrastructure for Canadians.

   The report further stresses that, “Canada lags its international peers in infrastructure spending. We invest less per capita than other countries in transportation, energy, waste, water, utilities and communications.” As many continue to advocate, Canada must invest more in these areas, as they make up the foundations of economic growth and improvement in quality of life for all.

3. Modernize and simplify the tax system
   The report states that, “The federal government should launch an independent review of Canada’s tax system aimed at strengthening the country’s ability to attract and retain business investment and talent.”

   A key aspect of economic growth is adaptability. The report emphasizes that, “The last thorough examination of the tax system took place more than 50 years ago.” There is an increasing call on tax system being reviewed and updated to fit the current modern era, to make it simpler and easily accessible to all. Whether filing personal or corporation taxes, a new system should be introduced that decreases the burden on Canadians. This system should make information on the tax system easily accessible to avoid any reassessments or other issues.

4. Rethink Canadian foreign policy for a changing world
   The report states that, “Canada should adopt a more pragmatic and realistic approach to foreign policy that advances the country’s national interests and strengthens our defences against emerging risks, including digital and cybersecurity threats.”

   Some have advocated that Canada must reshape foreign policies such that our country can be protected and care for the best interests of those living here, focusing on a long overdue review of foreign policy – the last one was attempted almost 20 years ago, but never followed through.
Canada relies heavily on our neighbour south of the border as a security and economic partner; however, the US should not carry that much emphasis and responsibility on our own matters.

5. Increase immigration inflows to build the future labour force Canada needs

The report states, “To offset Canada’s aging population and expand the country’s economic capacity, the federal government should set an annual target for new arrivals equal to 1% of the country’s population, to be phased in starting in 2021.”

Clearly, Canada’s aging population and low birth rate are issues that have some impact on all aspects of the country’s economic growth. As mentioned before, adaptability is an incredibly important skill to foster when trying to strengthen the economy.

In this case, rather than solely catering to the current demographic by funding elderly benefit programs, government is being asked to think outside the box, to focus on the future of this country by increasing the annual immigration level. Seeking potential newcomers could boost the economy by filling skill gaps created by the change in demographic.

6. Develop a national resource and climate strategy

The report states that, “Early in its mandate, the new government should convene a First Ministers’ Meeting to begin development of a national resource strategy, with the goal of strengthening Canada as a location of choice for leading-edge resource companies that demonstrate how to achieve superior economic and environmental performance.”

The report stresses that the government of Canada should try to implement a strategy that will sync with the world’s current views on sustainability. As the world’s second-largest country, there are plenty of resources that may vary from region to region. A suggested strategy would be to figure out the best interests of each region, whether it is distribution to other parts of Canada, or to foreign entities.

As well, the report highlights that the Business Council of Canada is convinced that each of these recommendations deserves support in increasing Canada’s economic potential. The organization has put forward a number of purposeful objectives to which commitment should be made, so that greater opportunity can be promoted for all Canadians, specifically:
1. Closing gaps in labour force participation among disadvantaged groups
2. Embracing diversity and inclusion in the workplace
3. Promoting mental health
4. Investing in employee learning and development
5. Expanding career opportunities for young Canadians
6. Supporting the next generation of Canadian innovators and entrepreneurs

Overall, A Better Future for Canadians encourages greater opportunity for all individuals in Canada. It seems like the Business Council of Canada’s proposed objectives do not necessarily promote each of the recommendations, however their objectives have a focus on some of the more immediate concerns. Clearly, making the correct decisions now will pave the way for the future of Canada.

The Construction Economist is also available in electronic format. Please visit the CIQS website www.ciqs.org and press the “Publications” tab.
Editor's Message

The Editor’s travels – Places of interest

VIA Rail Station, Ottawa, ON

I was recently in Ottawa, and saw the plaque below that provides some information about the VIA Rail Station in Ottawa, a historical building characterized by expansive glass and steel.

[Image of VIA Rail Station plaque]

This train station is located in an area of commercial and light-industrial buildings, adjacent to the city’s main expressway, three km southeast of downtown Ottawa.

I really enjoyed the CIQS podcast

Whilst in Calgary for a Board Meeting, I had the opportunity of being featured on the CIQS Podcast, Knowledge Counts.

Wendy Hobbs, CIQS Education Director and host of the podcast, invited me to talk about Prompt Payment and Adjudication – The Emerging Norm.

I discussed the objectives, benefits and impacts of the new legislation, and answered a number of questions on the topic.

The Knowledge Counts podcast features one-on-one interviews, presentations, and informative discussions from construction industry economists, influencers, and experts. Here are the titles from previous podcasts:

- Looking Forward – The Future of Quantity Surveying
- Making Construction Sites Safer
- Quantity Surveying in the Insurance Industry
- Preserving Our Past – Structural Monitoring of Heritage Structures
- Procuring Mega Projects
- Project Controls – The importance of tracking changes
- Construction Claims Management – A Problem-Solving Approach to Litigation and Dispute Resolution
- Tall Wood Buildings – Reaching New Heights with Wood Buildings
- Caring about Client Care – The Building Blocks of Excellent Client Relations
- Eye in the Sky – Using Drones for Surveying

Please visit www.ciqs.org/english/ciqs-podcast to access the podcasts listed above.

Call for articles

1. Concrete and steel framed structures
   - Is concrete cheaper?
2. Flat and sloping roofs and finishes
   - Are flat roofs cheaper to construct?
3. Asphalt and tarmacadam road finishing
   - Is tarmacadam cheaper?

Interested? Please send expressions of interest to editor@ciqs.org.

Did you know?

The Honourary Life Member title awarded to Members for long standing service to the CIQS or one of the regional Chapters. Members in this category are exempt from paying any membership fees.

The following are Honourary Life Members of the CIQS:

- Alexander Cosway, PQS(F)
- Anthony Huxley, PQS(F)
- David Lai, PQS(F)
- Hans Miethig, PQS
- Stuart Picozzi, PQS(F)
- James Rae, PQS(F)
- Graham Randall, PQS(F)
- Colin Randall-Smith, PQS(F)
- John Wills, PQS(F)
- John R. Pettie, PQS(F)
- Hugh Thomas, PQS
- Clive Evans, PQS(F)
- Kenneth M. Macdonald, PQS(F)
- Brian Treharne, PQS(F)
- Tony White, PQS(F)
- Royston Lewis, PQS(F)
The scope of environmental regulation is broad and ever growing. One Ontario Court of Appeal judge famously asked in the midst of a case whether ‘MOE’ stood for ‘Ministry of Everything?’ It should not be surprising, therefore, that environmental law issues permeate almost every aspect of the construction industry. Unfortunately, many in the industry remain blissfully unaware of this until after a problem has arisen, often involving an irate regulator. This article will provide a brief overview of some of the more common areas likely to catch a developer or constructor by surprise; it is by no means meant to be comprehensive.

**Background**

The starting point in Ontario (other provinces have substantially similar legislation) is the prohibition in section 14 of the *Environmental Protection Act*, RSO 1990, c E.19 ("EPA") against the ‘discharge’ of a ‘contaminant’ into the ‘natural environment’ by any person who has ‘charge, management or control’ of the contaminant. A ‘contaminant’ means “any solid, liquid, gas, odour, heat, sound, vibration, radiation or combination of any of them resulting directly or indirectly from human activities that causes or may cause an adverse effect,” and “adverse effect” means one or more of:

(a) Impairment of the quality of the natural environment for any use that can be made of it.
(b) Injury or damage to property or to plant or animal life.
(c) Harm or material discomfort to any person.
(d) An adverse effect on the health of any person.
(e) Impairment of the safety of any person.
(f) Rendering any property or plant or animal life unfit for human use.
(g) Loss of enjoyment of normal use of property.

(h) Interference with the normal conduct of business.

Scope
How far does this go? Well, in *Ontario (Environment) v. Castonguay Blasting Ltd.*, 2012 ONCA 165, the Ontario Court of Appeal case in which Justice Blair made his comment about the all-encompassing scope of the Ministry, the majority of the Court found that a construction company engaged in rock blasting failed to comply with the *EPA* when it did not report to the Ministry about fly rock from its rock blasting operation damaging a nearby residence (despite having duly reported the incident to other authorities). ‘Fly rock’ in this context was a ‘contaminant’ that had been discharged into the natural environment and had caused an ‘adverse effect’ thus triggering the duty to report “forthwith” to the Ministry, pursuant to section 15 of the *EPA*. The Ontario Court of Appeal’s decision was upheld by the Supreme Court of Canada in *Castonguay Blasting Ltd. v. Ontario (Environment)*, 2013 SCC 52, wherein Justice Abella summarized for a unanimous court: “when in doubt, report.”

Duties under the *EPA* apply to individual workers with care and control of any material that could be a contaminant, as well as supervisors, owners and even officers and directors. Other typical construction related contaminants include dust, vibration (such as from drilling or sheet pile installation), and even heat and noise. All these need to be carefully monitored to ensure there is no likelihood of an adverse effect from their entry into the natural environment. Several contractors in recent years have been fined for allowing such discharges to occur.

While the prohibition against spills (governed by Part X of the *EPA*) is one of the most obvious intersections of environmental law with construction activities, there are also several regulations that could be seen as directly targeting aspects of the industry. Waste audits, for instance, must be conducted for all large demolition and construction projects. Regulations specify when and how such audits must be done in order to ensure proper identification, separation, handling and disposal of all construction and demolition wastes. A written waste reduction work plan may also be required to establish the manner in which waste generated during the construction project will be reduced, reused and recycled. Ministry inspectors must be provided with...
a copy of the waste audit or waste reduction work plan on demand and have the power to shut down a project if one is not produced.

Ontario’s complex waste management regime also comes into play during the disposal of any contaminated soil that may be encountered during construction. Such soils have to be stored and transported in a prescribed manner and can only be disposed of in designated sites at a higher cost than ‘clean fill’. Contractors or owners who think they have been fortunate to find a hauler who will take the soil off their hands at a price that is too good to be true are routinely unpleasantly surprised to find out they have been the victim of an unscrupulous hauler, leading to significantly higher costs once regulators get involved in trying to remove illegally disposed material, clean up the ‘victim’ site and move the material to the right place – all at the contractor or owner’s expense of course.

New soil management rules are expected to come into effect soon imposing a similar tracking regime for clean soils. Part of the philosophy behind these regulations is to minimize the environmental impact of unnecessary soil movement. However, it will undoubtedly come at the cost of greater regulatory scrutiny of the construction industry.

Owners and developers need to be aware of environmental regulations well before starting construction. The requirement for a record of site condition, whether by the Ministry or a municipality, can add years of delay and, on a large project, can add hundreds of thousands of dollars in extra costs. Early communication with regulators and the municipality, preferably in conjunction with the right professional advisors, will go a long way towards ensuring a well-planned construction schedule that can be followed without unexpected interruptions.

What’s next?
While the supposed boom in ‘LEED’ certified buildings never really seems to have amounted to much, there is an increasing awareness in the media of the very significant contribution the ‘built form’ has on environmental emissions and, ultimately, climate change. As this awareness increases, greater scrutiny is expected on building materials and methods, as well as building systems such as HVAC, glass to brick ratios, energy and water efficiency, storm water management, use of impermeable ground surfaces and other features that ultimately impact the natural environment.
Industry leaders will do well to anticipate these changes and prepare for them. In all cases, awareness of the intersection of environmental issues with the construction industry will not only result in fewer unpleasant surprises during the life of a project but, perhaps, will also truly result in a better natural environment.

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Nahla Khouri’s practice encompasses a broad range of litigation matters. She specializes in litigating complex commercial disputes. She has developed particular expertise in contract disputes, shareholder and partnership disputes, negligence cases, and product liability cases. She also has experience in environmental litigation.

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Education Corner

Tips for the professional interview

Many aspiring individuals working towards their Construction Estimator Certified (CEC) and Professional Quantity Surveyors (PQS) designation(s) must undertake a professional interview prior to earning their designation. Here are some practical tips on what to do and what not to do.

Dos
• Be on time.
• Relax and be yourself.
• Maintain eye contact with the panel member.
• Be familiar with the content of your diaries, case studies, or papers.
• Ask the panel questions if anything is uncertain or there is anything you want to know about the Institute.

Don’ts
• Try to answer a question if you do not know the answer.
• Interrupt a panel member when they are talking.
• Exaggerate your abilities.
• Look around during the interview.
• Ask if your interview has been successful.

About the author
Professor Bill Nichols, M.Sc., PQS(F), FCIOB, PLE, GSC, AIC, Professional Interview Panel
Bill Nichols has been a member of CIQS since 1974 and is a full time faculty member in the Angelo DelZotto School of Construction Management at George Brown College. Bill was active for many years on the Board of OIQS, serving as President twice in 1997-1998 and 2003-2005, and has volunteered as a panelist for the CIQS Professional Interview Panel.

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CIQS Members are key to expanding awareness of quantity surveying throughout Canada and the important role we play in the construction process. Leverage the value of your Professional Quantity Surveyor (PQS) and Construction Estimator Certified (CEC) designations and access highly specialized continuing professional development programs and a growing network of peers. Your CIQS membership includes:
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• Multiple opportunities for networking and professional development
• Access to advertised job openings and posting of your resume on the CIQS website
• Affinity programs, including auto and home insurance discounts
• Access Insurance programs through agents qualified in our profession

*Concept introduced by Nobel Prize-winning psychologist and economist Daniel Kahneman and his collaborator Amos Tversky.

What is the planning fallacy?
This is a cognitive quirk* that leads us to consistently underestimate how long it will take us to complete a project.

Apparently due to planning fallacies, the Sydney Opera House – initially budgeted at around $5 million – ended up costing nearly $70 million and was completed 10 years late.

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The AIA/AIACC defines integrated project delivery (IPD) as a project delivery method distinguished by a contractual agreement between a minimum of the owner, design professional, and builder where risk and reward are shared, and stakeholder success is dependent on project success.

Chandos Construction representatives involved in several projects throughout Canada recently spoke at the CIQS – PNWT October Chapter dinner meeting in Calgary providing an overview of several characteristics of the IPD model. The most impressive audience take away message of all was the “high performance collaborative innovation culture combined with the co-location of teams.” Goal alignment, intensified early planning, transparency, and the adoption of lean principles by all stakeholders during the early planning stages is vital to ensure the success of this procurement method.

It became evident through the presentation the IPD procurement method requires the stakeholders and participants to adopt a holistic ‘what-if’ culture approach to problem solving. This realignment of roles and moving away from the traditional separate silo approach drives tough questions and choices about what should be considered along the way toward delivering a successful fully integrated project outcome.

The establishment of a common in the IPD model purpose from beginning to end starting with the validation phase of a project’s viability requires a great deal of focused effort. The importance of doing the early work correctly laying down a target value design route and the establishment of a co-location big room or ‘pit’ cannot be understated. Another big take away message from the evening dinner event, was IPD appears to be good choice for project delivery where the scope of work is not abundantly clear, and a extended project validation phase is required.

While IPD can deliver more promising results on some projects the possibility of risk still exists, and things can go wrong. From the outset various factors must be considered in the preconstruction phase including the investment in time, contract creation, organization structure and stakeholder training. Therefore, not every project will lend itself to this procurement model. Another realization constraint that must be accepted is the estimating and accounting skill sets of the project estimator or project controls individual is more demanding.

In addition to strong conceptual cost skill sets this model requires strong but excellent ‘soft skill set’ leadership that can coach, guide, and facilitate the stakeholder interaction to yield the best results for the project. Trade contractors must also be much more fully engaged in the design development process, rapid cost analysis, constructability discussions, developing the schedule and determining the construction sequences.

The IPD model should continue to gain traction and favour with Owners, Designers, Contractors and Subcontractors both domestically and internationally. As committed industry stakeholders the CIQS and CEC representatives need to be mindful of the trends underway and enhanced opportunities available for those skilled conceptual estimators. The CIQS – PNWT Chapter wishes to thank Mr. Robert Cowan, Mr. Will Buchkowsky, and Mr. Mike Dolling of Chandos Construction for their time and valuable insight into the IPD delivery method.

About the author
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is the founder and principal director of KGC Consulting Services Ltd. and works with clients to provide construction dispute litigation support on transportation, energy, commercial, industrial, multi-family residential, civil and building infrastructure projects.
Practically speaking, remote community construction projects fail to realize their intended profit margins. It’s a strong statement however; time and time again, the same conclusions are confirmed. Typically, somewhere shortly after the half way point of the project, the truth exposes itself after months of suspicion. The results lead us to ponder the reason(s) why. Profits are what keep our markets alive, what drives us to explore and to expand our potentials and yet, tender after tender, project after project, contractors return home; back to their offices wondering what went wrong. How did this happen? Project post mortems aside, let us attempt to explain the who, what, where, when and why, and how to prepare teams to mitigate and address risks thus increasing potentials for achieving targeted profit margins when leaving the comforts of home for the unknown.

Who are the competition? Competition can come from all sides so do not be fooled or naïve to think that a limited local presence of general contractors means limited competition. Having noted such, local resources can be your biggest asset. Partnerships with locals just makes sense. The sharing of local knowledge, available resources and inside information are calculated risks but known risks that must be taken advantage of. Far too often, contractors get overly confident and believe that they have all the answers and think to themselves, “Been there. Done that”. Share in victory, share in defeat but sharing and partnerships are worth their weight in gold.

Contractors must never forget about engaging First Nations. Typical Northern remote projects seldom exclude First Nations involvement. Failure to consult, engage and utilise First Nation resources early on is fatal. Even if your tender is not rejected, your tender price and schedule will prove to be non-viable. It is often a component commonly overlooked and under evaluated. Some tender invitations may even call for a specific minimum of local First Nation number of workers on the project. Take the time to reach out to the local band office for equipment rental or local labour pools or contractors with experience in the region.

Who will lead the project through to completion? A carefully laid out plan detailing your experienced, competent site supervisors (and who will replace them during their well-earned downtime) will greatly increase your chances at success. No site supervisor wishes to remain on a remote project for extended periods of time; they require time away to recharge. Carefully evaluate your options, communicate with key personnel, and ask the right questions surrounding pay, work rotations, holidays, bonus structures, etc. Additional money is not necessarily the right answer. A balance of time-on and -off the job site is essential for their well-being.

What is important to the overall success of any project is the quality of the tender documents. Consultants with experience in the North understand the uniqueness of working in the North. Do not hesitate to ask the consultants about their experience in the North.
When precision and details count the most, northern projects in particular have little room for mistakes; a simple omission could take weeks if not months to get the right materials or equipment on site.

No one wins when errors, omissions or oversights exist in drawings and specifications. When precision and details count the most, northern projects in particular have little room for mistakes; a simple omission could take weeks if not months to get the right materials or equipment on site. Take one project for example that I worked on years ago where the Project Coordinator forgot to send up roofing nails. Because of its remote location, the entire roof was delayed by over 3 weeks due to shipping challenges.

Equally important are the simplicity of the design and the ease of the overall construction for projects in remote communities. Consultants must inherently remind themselves and their sub-consultants where the project is located on the map and that time,
Knowledge of historical climate conditions, seasonal patterns that will affect ice road conditions and also barge schedules due to tide fluctuations will have an affect on not just your project but also all others in the area.

Weather and resources are not on their side. Where things start to go wrong on construction projects in remote northern communities is when key logistical details are absent. The term “winter road” does not mean a road that is driven during the winter but rather means a road only available during short periods during the winter, generally from late December to early March, and with potential to be closed intermittently for various reasons. Workforce availability, material and equipment transportation, lodging, food etc. are all major items at the mercy of Mother Nature in the North. These are but a few logistical tasks which must be taken into consideration prior to tender submission. If you want to be the low bidder, go ahead without pre-planning such critical details, as well as back-up plans. Remember the old adage, “Fail to Plan Plan to Fail.” Northern remote location projects are not a place for best guesses and assumptions. Do your homework prior to submitting your tender, not after.

Climate conditions play an equal role in remote communities and have a history of shutting down projects for extended periods. Knowledge of historical climate conditions, seasonal patterns that will affect ice road conditions and also barge schedules due to tide fluctuations will have an affect on not just your project but also all others in the area. Do not assume that just because you are the largest project in the region that you will have first priority!

When schedules matter most. The importance of scheduling must never be overlooked. From day one, owners and their respective consultants during the design development stage bear a certain responsibility to be respectful of all topics as presented above. Owners and consultants must be realistic when it comes to their deliverables by acknowledging and accepting what is achievable. Where typical projects of similar size and complexity can take 9-12 months to complete, similar projects in remote communities can easily double in duration. Careless attention to the schedule will lead to undesirable outcomes. During the project, tasks which creep beyond their intended deadline can lead to final milestones being dragged on and so must be dealt with swiftly. On the same note, make hay while the sun shines! Overtime during the summer months should be planned for and this will save you in many ways, like when it comes time for heating and hoarding. Remote community projects should be operating at full capacity during the limited summer months and when Mother Nature is cooperating. Night shifts, extended weekday hours, weekend work options must all be considered and budgeted as preferable options.

Why do contractors choose to expand their portfolio to projects beyond their zone of comfort? According to network resources, the primary reason deals with competition (or the lack thereof). With reduced lists of competitors and teams looking...
for work, the potential for being successful increases significantly. A typical northern project will see only three to five bidders with smaller projects seldom seeing double digit submissions. Combined with the potential for increased profit margins this makes for a tempting case to submit one's bid. Be it a Federal, Provincial or Municipal call for tenders up north, we've all looked at one time or another at such tender calls and pondered the risk vs reward scenarios.

The Integrated Project Delivery (IPD) model approach to construction seems to have made a strong ally in northern remote community projects as of late. Owners, Consultants and Contractors seem to have embraced the concept as it seems to have taken the above-noted factors into consideration. Such a delivery model seems to have answered the call where past traditional methods failed to reach targeted markets. Consultants and contractors alike are reaching out to potential owners of these remote communities to inform them of the potentials to deliver their project on time while adjusting budgets according to needs early on. Teams are being formed and alliances made for the benefit of all, which, for the most part, is a good thing. With skin in the game with a one-for-all and all-for-one mentality, expectations are adjusted so that no one gets disappointed.

In the Province of Ontario alone, on any given day, a half dozen projects can be found out for tender with easily another dozen owners eager to develop, and contractors looking to invest. Across Canada, the potentials are endless and the opportunities worth it if you align and create a team with local knowledge and the willingness to succeed and share in your efforts. Nothing ventured, nothing gained.

In a spirited discussion with an Architect friend and colleague over the role of the developer in the creation of affordable housing, he posed the following question: “What are your views on rent control?”

Talk about a loaded topic. It was akin to being asked “Would you rather be axed or hanged?”

No matter how you answer, someone is guaranteed to take exception, given that everyone has varying degrees of living standards and ideals. Depending on your current living situation, it is well understood that the concept of rent control can either be extremely fair or awfully unjust, and also very insulting.

It is important to understand that neither proponents nor opponents of rent control are a unified, ideologically pure group. Each side of this spectrum includes individuals trying to understand the best options for themselves and society. The most common argument in favour of rent control assumes that all, or at least most, landlords receive exorbitant profits and that government imposition is therefore necessary to curtail such greed.

This profit limitation seems to be urged more on the basis of moral grounds than on any real conception of its intrinsic value. “The argument for rent control should be distinguished from the argument for affordability,” suggests Joshua Mason, an Economics Professor at Roosevelt University. “The real goal of rent control is protecting the moral rights of occupancy.”

In order to maintain a high level of respect for those on either side of this proverbial fence, let us put aside any notions of the link between rent control and morality and view this strictly as an exercise in economic practicum.

Rent control: What is it and how is it implemented?

Wikipedia defines rent control as: a system of laws, administered by a court or public authority, which aims to ensure the affordability of housing and tenancies on the rental market for dwellings. This system is designed to restrict how much and how often a landlord can increase rent.

This idea of allowing governments to establish limitations on the rents that can be charged by landlords strikes many people as a sensible way to address affordability problems in housing markets. On the surface, this presupposition appears to be correct. But is it?

The political game

By the time this article is published, Canada’s 43rd parliament will have been elected.

During the campaigns, we were inundated with electoral promises and ‘guarantees’ from each of the candidates running for elected office. The majority of them discussed vast social issues such as poverty, housing affordability, or climate change, while invoking a sense of morality to substantiate their given positions, all in a supposed quest to improve the lives of their potential voters.

In the case of the implementation of rent control measures, these restrictions are most politicians’ favoured response to housing shortages and concerns of affordability, as the optics create a comforting sense that government and lawmakers are looking after the ‘little person’. Are these assertions an accurate reflection of the reality of rent control measures and their supposed effect on lowering rents, or are they simply another obvious demonstration of playing to the crowd?

Princeton University’s Professor of Economics, Mr. Alan Blinder, once stated: “Economists have the least influence on policy where they know the most and are most agreed; they have the most influence on policy where they know the least and disagree most vehemently.” Cynical? Perhaps, but it’s also spot on.

Virtually no politician in today’s climate would dare to publicly resist the concept of rent control, as the very notion would make even the most seasoned and courageous politician shudder. Why? I’ll give you three suggestions:

1. Nobody likes landlords. They’re all grouchy and miserable and only care about money.
2. Those who benefit from rent control CAST A BALLOT AND VOTE! Votes = Power.
3. It has enormous emotional appeal. Imagine the 6:00 pm news-cast. A reporter interviews a fragile senior citizen, describing how she’ll have to vacate her tiny apartment – her home and sanctuary for 25 years – if her rent control isn’t maintained. What politician wants to go up against that losing battle, particularly in an election year?

Prominent US economist, James Buchanan, calls this a situation where “people simply don’t understand simple economics and therefore, put in for political reasons what will damage the very people that it is designed to help.”

Economics 101

Does rent control work? Does it lower or raise housing costs? Does it increase the construction of more affordable housing? Virtually all economists – on both the
right and left side of the political spectrum – agree that the answer to this question is “no.”

Writing in the *New York Times*, economist and Nobel laureate Paul Krugman noted that while economists may often find consensus elusive on matters of policy, rent control is an exception. According to Krugman, the “analysis of rent control is among the best-understood issues in all of economics and – among economists, anyway – one of the least controversial.” Krugman noted that 93% of members of the American Economic Association believed that “a ceiling on rents reduces the quality and quantity of housing available.”

Why the unanimity amongst these economists? Because it is an accepted economic principle that government-imposed price controls always lead to price distortions. In this case, rents.

**A Government of Ontario love story**
In Ontario, the degree to which a property’s rent can be increased is decided annually by the provincial government’s *Rent Increase Guideline*, which specifies “the maximum a landlord can increase most tenants’ rent during a year without the approval of the Landlord and Tenant Board.”

Increases between January 1, 2020 and December 31, 2020 are capped at 2.2%, which is the first time since 2016 that this figure has exceeded 2.0%. Coincidentally, this 2.2% maximum rate increase is the **exact** projection for Canada’s inflation during the same period.

Historically, rent control measures have been in force provincially since the *Residential Premises Rent Review Act* of 1975 was enacted after the demand for these measures became a major issue leading up to that year’s Ontario election.

After several governments continued to tighten regulations surrounding rent control, in 1997, the Conservative government, under the leadership of Premier Mike Harris, eradicated controls on newly-constructed buildings. Anything constructed after November 1, 1991 was not subject to rent control guidelines.

The plan worked. With rent control measures removed on new buildings, dozens of condominium towers and housing high-rise buildings started going up and rental and housing supply increased significantly. With a supply level that more closely corresponded to the number of renters, competition created a climate with more affordable housing units.

Fast-forward to the Liberal government, under the leadership of Premier Kathleen Wynne. In April 2017, the Wynne government announced the Fair Housing Plan, which included a provision to rollback the post-1991 rent control exemption, such that all private rental units, including those constructed or initially occupied on or after November 1, 1991, would be subject to rent control.

Within six months of this legislative change, the unintended consequences of rent restrictions immediately rear their ugly head. No fewer than 2,000-planned purpose-built rental units were converted to condominiums in the Greater Toronto area alone. The very thing this new legislation was intended to avoid was the very catalyst for its growth and expansion.

Rarely the chasm between political expedience and economic reality so wide.

**A false cure for housing affordability**
Economists tell us that these restrictive price ceilings reduce the supply of property on the market. When prices are capped, people have less incentive to fix up and rent out their basement, or to build new rental property. Slower supply growth exacerbates the price crunch. Plus, those landlords who do rent out their properties might not bother to maintain them, because when supply and turnover in the market are limited by rent caps, landlords have little incentive to compete to attract tenants.

More so, strong and compelling evidence to suggests that rent control, despite its perceived good intentions, actually makes affordable housing more scarce, more expensive, and more run-down. When rent control measures are implemented, one of the most undesirable consequences is that because rents can only be raised in line with governmental policy, renters are extremely reluctant to move. Tenants no longer have any incentive to leave because they know their future rent increases are capped, in 2020 to a maximum of 2.2%.

This discourages people from moving around to different properties, reducing market flexibility and reducing vacancy rates substantially.

It creates a scenario where the longer you stay in your rented unit, the more you benefit from below-market rents. Or, to state it another way: why would you ever leave your rent-controlled apartment?

Consider the example of the famed, late US journalist, writer, and filmmaker, Nora Ephron.

The three-time Oscar nominee famously penned an article entitled *Nora Ephron’s Apartment: A Love Story*, which was published in the June 5, 2006 edition of *The New Yorker*.

In this article, Nora explains her move into a five-bedroom apartment in NYC’s Upper West Side in February 1980, paying $1,500 per month, considered a bargain...
at the time by Manhattan standards, but nonetheless an astronomical amount for the building.

Living in a “state of giddy delirium” over her low rent, Ephron benefited from rent control even when her rising income did not justify her staying in an apartment whose market rent was estimated at $12,000 per month. She reluctantly left her rent-controlled abode 24 years later only after a new law permitted landlords to increase rents for tenants earning over $250,000.

This is precisely what journalist Errol Lewis meant when he wrote “rent laws are welfare for the rich.”

Ephron acknowledges her ‘rent protection’ wasn’t a real bargain in the end, as a result of improper maintenance and poor repairs. The enjoyment she derived out of her dwelling space was ultimately reduced to commensurate with her controlled rent.

Another serious issue surrounding rent control is that it is an inefficient way of allocating housing space and it inhibits construction.

It is not difficult to grasp this notion why and how rent control measures would harm most renters in the long run. These strict regulations discourage developers from constructing purpose-built rentals because the restrictions themselves acts as caps on future cash flows and returns on their investment, making speculation in rental facilities less attractive. In the end, the rental housing stock further shrinks.

This scarcity of available product hurts renters because a larger number of renters will be competing for a shrinking and less frequent maintenance, and upgrades become less on their investment, making speculation in rental facilities less attractive. In the end, the rental housing stock further shrinks.

Also of importance is the reality that when rent restrictions limit landlords’ profits, they are much less likely to keep rental units in a state of good repair. As their profit margins compress, periodic maintenance, and upgrades become less and less frequent.

In situations where landlords can no longer recover their operating costs or even legally evict renters, the units are left to deteriorate to a state where they are uninhabitable. Once this happens, landlords may simply demolish the buildings outright and construct buildings of a non-residential use, which further continues to shrink the rental supply.

**A better way**

It has been said that rent control is inevitable in a democracy because tenants greatly outnumber landlords. They are usually convinced that rent control is in their best interests and are likely to invest considerable political energies in maintaining it, which is a weapon of choice for politicians because it is an almost-certain method of attracting votes.

Paradoxically, one of the best ways to aid tenants is to **protect the economic freedom of landlords**.

Most economists would agree with that statement and the results are very clear: rent control is bad for tenants, existing rental housing stock, and the case for building new rental. Some industry stakeholders from the Toronto Tenants’ Association commented recently: “When demand for rental exceeds supply... those with the fewest resources will have the most trouble securing good housing. Those with money find housing. Rent controls result in an even greater demand-supply imbalance, which makes rental housing more expensive.”

Joshua Gottlieb, Associate Professor at the Vancouver School of Economics, tweeted: “rent control does absolutely nothing for people who don’t already have a secure rental... The only effective way to protect renters is create competition among landlords. That means allowing rental housing construction.”

Rent control only exacerbates the situation of housing affordability. The only solution is to encourage the construction of new housing by easing restrictions on developable lands and allowing greater flexibility in new housing types. Increase the supply of housing at a rate that exceeds the demand by fostering an environment that attracts new investment and facilitates developers to do what they do best: break ground on new housing.

The government just needs to get out of the way.

“In many cases, rent control appears to be the most influential technique presently known to destroy a city – except for bombing.”
– Assar Lindbeck, Professor of Economics, Stockholm University

**About the author**

Lenny Simonelli, PQS(F), B.Arch. Sci., M.Sc., GSC is the Founder and Director of ReXcon Construxion Corp., a multi-faceted firm providing a full range of services in the built environment, including Construction Management, Project Management and Quantity Surveying. Lenny has 19 years of experience working on a wide array of services for projects of all sizes and magnitudes and across all sectors of the construction industry, namely, healthcare, education, entertainment, high-rise residential, government, and ICI.

**Bibliography:**

On November 1, 2019, several amendments to the Bankruptcy and Insolvency Act (the BIA) and the Companies Creditors’ Arrangement Act (the CCAA) will take effect. The changes respond to concerns that pensioners’ rights are not adequately protected in corporate insolvency proceedings, especially in the wake of Sears Canada’s CCAA insolvency proceeding and leaving behind significant underfunded pension liabilities.¹

In this article, we examine the measures included in Bill C-97 aimed at making insolvency proceedings fairer.

Duty of good faith (Section 4.2 of the BIA, Section 18.6 of the CCAA) Both the BIA and the CCAA will now explicitly require any interested person involved in insolvency proceedings to act in good faith. On application by an interested person, the court may make any order that it considers appropriate in the circumstances if the court is satisfied that an interested person fails to act in good faith.²

Codifying a duty of good faith aligns Canada’s insolvency laws with recognized international best practices as the US, UK, and Japan all have established a duty to act in good faith in insolvency proceedings.³ This is intended to give the courts another tool to ensure fairness in insolvency negotiations and to prevent parties from abusing the restructuring process to obtain advantages.⁴ The extent of the good faith requirement is not defined which may lead to a flexible standard that could vary depending on the circumstances.⁵

Liability of Directors for severance pay, termination pay and other benefits (Section 101 of the BIA) The amendments expand the courts’ ability to examine certain offending payments made in the period beginning one year before the initial bankruptcy event and ending on the date of bankruptcy and to impose liability on corporate directors for such payments. The change is to the BIA, however it is incorporated in the CCAA as well by virtue of section 36.1(1) of the CCAA.

Trustees were already able to obtain recovery from directors for dividend payments in the ‘look-back’ period, but this power has been broadened to include ‘termination pay, severance pay or incentive benefits or other benefits to a director, an officer or any person who manages or supervises the management of business and affairs of the corporation.’⁶ Directors can be held liable if this type of payment was made when the corporation was insolvent or rendered the corporation insolvent, was conspicuously over fair market value, was made outside the ordinary course of business, and the directors did not have reasonable grounds to believe the items listed above. The onus is on the directors to show that any of these elements are not true. Directors can also escape liability if they protested against the payment.

This change was made to deter executives from taking decisions that are contrary to the interests of employees and pensioners and places the standard of ‘prudent and diligent person’ on

Enhancing security of pensions in insolvency proceedings

Amendments to BIA and CCAA to take effect in November
the directors.7 Given that the payment must be ‘outside the ordinary course of business’, courts have some flexibility when examining whether or not a given transaction was appropriate.8

Applications for court-ordered disclosure of economic interests (Section 11.9 of the CCAA)

A new mechanism in the CCAA allows an interested party to apply for court-ordered disclosure of another interested party’s economic interest in the debtor company on any terms that the court considers appropriate.9 In deciding whether to make an order, the court is to consider whether the monitor approved the proposed disclosure, whether the disclosed information would enhance the prospects of a viable compromise or arrangement being made in respect of the debtor company, and whether any interested person would be materially prejudiced as a result of the disclosure.

For the purposes of the section, economic interest includes a claim, an eligible financial contract, an option or a mortgage, hypothec, pledge, charge, lien, or any other security interest and the consideration paid for any right or interest, and any other prescribed right or interest.

The disclosure of economic interests is meant to preserve fairness during a restructuring by addressing informational asymmetries among the parties.10 This increased transparency is intended to make insolvency proceedings more accessible for pensioners and workers.11

Limit the length of the stay on an initial application and the scope of the orders available (Sections 11.001 and 11.02 of the CCAA)

The maximum time period for the initial stay of proceedings granted on the first day under the CCAA has been reduced from 30 days to 10 days.12 Further, the relief provided on initial orders has been limited to what is reasonably necessary for the continued operations of the company.13

By narrowing the scope of initial court orders, these amendments are designed to reduce the chance of extraordinary relief, like the suspension of pension contributions, being ordered early on.14

This new process gives courts more time to hear all views before making consequential orders and is aimed at increasing the ability of pensioners to participate in insolvency proceedings from the outset.15

Although these amendments were aimed at enhancing the rights of pensioners and employees, other stakeholders may find these amendments may benefit their own interests as well. It remains to be seen how effective these amendments will be and the creative ways that lawyers may use these new provisions in upcoming cases.16

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16 About the author

Philip Cho is a partner at WeirFoulds practicing primarily in the area of Insolvency and Bankruptcy, with a complimentary practice in Security Enforcement and Litigation. Philip provides advice to debtors, creditors, trustees, monitors and receivers in the context of proceedings, disputes and transactions under the Bankruptcy and Insolvency Act, the Companies’ Creditors Arrangement Act, and related provincial legislation, including Division 1 proposals and debtor-in-possession proceedings. He is a frequent speaker having presented numerous times at the Law Society of Ontario’s Six-Minute Creditor/Debtor and Insolvency Lawyer series, Six-Minute Employment Lawyer and the Six-Minute Business Lawyer series, and at the Annual Conference of the International Association of Korean Lawyers (Los Angeles, Washington, Atlanta, Seoul). Philip is also recognized for his community leadership and volunteer work. Since 2012, he has served as Chairman of the Board for the Korean Canadian Scholarship Foundation, as a board member of the Korean Canadian Lawyers Association, and as a Regional Governor (Toronto) for the IAKL.
Earned value management

Owners want their projects to finish on time and on budget, but how can they know that this will be achieved? Earned Value Management (EVM) is a project management tool that objectively measures project performance using an integrated schedule and budget. EVM detects project health and progress and is the best tool for predicting success of the project. Additionally, EVM as a methodology provides consistent measurement of performance from project to project. EVM measures the actual work accomplished (earned) compared to the planned work and the actual cost.

How do you use earned value management?

To apply EVM to your project, you need to know:

- **Planned Value (PV):** The amount planned to be spent each month through the project. This can be thought of as the expected cash flow.
- **Actual Cost (AC):** Actual cost to date.
- **Earned Value (EV):** The value of work that has been delivered to date based on the planned cost, regardless of the actual cost. For example, if the planned value to build 100 m of foundation wall was $10,000, and 50% of wall has been built, then the earned value is $5,000 (50% of $10,000) regardless of whether the actual cost was $3,000 or $7,000.

Comparing the earned value to the planned value visualizes the project health. If the earned value is less than the planned value, the project is behind schedule. We can get much more information if we track these values over time and examine the patterns.

- A project that is late and is falling farther behind will is identified by a gap between earned value and planned value that increases from month to month.

- A project that had one delay event, but is continuing at the planned pace has earned value less than planned value and shows a constant gap between earned and planned value.

- A project that is catching up to the original schedule has a decreasing gap between planned value and earned value.

These trends are shown in Figure 1. The cumulative planned value typically takes the shape of an ‘S’ curve. In this example, the earned value starts falling behind (below the planned value) in November 2017 and stagnates until February 2018. During this period there is very little activity and the project falls farther behind schedule each month. After February, the slope of the Earned Value graph matches the slope of the Planned Value – indicating that the project was delayed, is now progressing at the same rate as planned, but it is not on track with the original schedule.

This approach of tracking schedule performance through EVM will be sufficient for owners with projects on fixed price contracts – which are most construction projects. On those projects, the contractor bears the risk of the project costs exceeding the planned cost. For owners using other types of contracts, like construction management projects, owners will also need to calculate and track cost performance using a similar metric.

So, who does what?
The calculation of EVM has its complexities. The biggest challenge is getting the right information:

- **Contractor** will provide the proposed cash flow (planned values). For projects under $20M it is sufficient to have a trade or subcontract breakdown. For more complex projects a more detailed task breakdown is required for efficient reporting. The breakdown by trade, subcontract or task is allocated, therefore linking the contract price and the construction schedule.

- **Quantity Surveyor** may be engaged to validate the contractor’s proposed cash flow to confirm that the bid price has been appropriately allocated and to confirm that early contracts and tasks have not been over-valued.
For a construction management approach with multiple bid packages, the Quantity Surveyor must align the cost estimates with the bid packages, which adds complexity.

- **Payment Certifier** (usually the architect or engineer) will determine the earned value, i.e. the value of the work that has been completed based on the bid price. Earned Value is assessed on the same trade, subcontractor, or task basis as the contractor’s proposed cash flow.

- **Project Manager** will use the information provided by the Contractor, Quantity Surveyor, and Payment Certifier to calculate the earned value trends and work with the contractor to confirm the causes of delays so they can be rectified.

**Applying EVM to your projects**
The use of EVM is recommended for projects longer than six months in duration. While there is a very small cost to have the project team use EVM, the roles and responsibilities for the Project Manager, Prime Consultant (architect or engineer) and the General Contractor must be defined in the contract documents. The project manager will establish the framework for EVM during the design stage and continue to monitor through the life of the project. By applying EVM on your next project, you will have an early indication of any schedule problems and will be able to facilitate early corrective actions and measure their effectiveness.

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**About the author**
Alain Gregoire, P.Eng., ing., PMP, works at Colliers Project Leaders as Vice President for Eastern Canada. He is a fluently bilingual professional who draws upon more than 25 years of project management and municipal engineering experience in delivering major infrastructure projects for public and private sector clients. Alain has accumulated a wealth of experience on various transportation, transit, water and wastewater projects. The range of services provided includes the management of multi-disciplinary design and inspection teams, participation in design-build and P3 project teams, master plans, storm water management and servicing reports, contract documents and the provision of construction and operational services, including dispute and claim resolutions. Areas of expertise include project management, transit, wastewater collection, pumping stations, land development, and roadway construction.
The term ‘circular economy’ is appearing more and more in the corporate nomenclature, but what does it mean? As we search for understanding, it helps if we contrast the circular economy with the economic model that it aims to replace: the linear economy. For centuries now, humans have participated in an economic model that pulls resources from the earth and manipulates them to add value. These transformed resources are then traded among participants in the economy and once they are no longer useful, they are disposed of. This process is very linear for the resources in question and they typically have only one dedicated use throughout their lifecycle.

Supporters of the circular economy feel as though there is a better way. In a circular economy, resources will have multiple uses throughout their lifecycle through longer-term use, reuse, and recycling. In this model resources can be re-introduced into the economy through multiple pathways. This is the concept of circularity and amongst other positive effects for business, it has the potential to reduce waste, reduce input cost, and relieve the pressure of resource scarcity that is responsible for the volatile commodity prices markets currently face.

The circular economy does not come without challenges though. Consider how product leasing and sharing models could potentially affect cash flows for both the manufacturers and consumers of a product that is currently sold, consumed, and disposed of. In the traditional model, a large sum of money will change hands at the beginning of the product life cycle, whereas in the circular model, smaller, but more stable amounts will transact for an extended period of time. How might this affect product R&D funding or company valuations for example?

While the circular economy presents both opportunities and challenges for all of us, proponents are driving towards its adoption across many industries, including building and construction. Here are thoughts offered by a Professional Quantity Surveyor (PQS) on how the professional can use, add value and address circularity in the building industry.

Enabling circular economy for the built environment
The built environment is a major consumer of natural resources, as our world population grows rapidly, and therefore responsible for the fast pace of resource depletions. Engineering and design firm, Arup, estimates that some 50% of global steel production is used by the engineering and construction industry. Resources will only keep getting harder to access, with rising costs, not to mention unsustainable physical and economic waste when they are not re-used. Buildings and infrastructure are capital-intensive structures, designed for long life. In 2017, the average age of commercial buildings in the US was estimated by the real estate data firm, SMR, to be about 50 years. In the linear economy, the construction and demolition of buildings result in large waste for the landfill – we’ll refer to those as ‘capital wastes’. Also, operating buildings leaves behind wastes in the form of components that are replaced at the ends of their lives – we call these the ‘operational wastes’. With circularity in the built environment, all or most of these capital and operational wastes can be avoided, but doing so requires the participation of all stakeholders: owners, construction professionals, users and occupants, regulators, and so on.
How the PQS may foster the circular economy

The CIQS identifies the PQS as a vital member of the professional construction team who is specifically focused on the management of construction costs and value. Hence, the PQS can directly enable and foster the adoption and growth of the circular economy at various stages of a property’s life. Below are important ways that PQS services can facilitate circularity in the built environment to reduce or eliminate building operational and capital wastes.

1. Know your client
A key requirement for being a valuable counsellor is knowing and understanding what your client values. A lot of building influencers are increasingly placing greater values on sustainability and positive environmental stewardship. The PQS needs to identify these values very early, and understand the client’s position on sustainability and resource circularity. This will enable the PQS to seek out and propose desirable economic guidance that fosters the circular economy.

2. Keep up with available sustainability offerings
The PQS should keep and maintain ongoing databases of manufacturers of building components and vendors whose offerings enable the circular economy. These should include manufacturers that embrace life-cycle design for their products, or the emerging ‘Product-as-a-Service’ (PaaS) model. With an average life of 15 to 25 years (per ASHRAE) for HVAC Equipment, purchasing ‘Heating & Cooling-as-a-Service’ rather than owning the equipment can be attractive. The PaaS model may also give the building owner a tax benefit, as the tax is effectively financed by the state over the long service period, according to KPMG experts. The PQS should not be shy to directly reach out to manufacturers or their representatives to ask questions about their products and service and can then adequately advise the owner and/or design team.

3. Be collaborative
Circularity, like the construction process, is a collaborative venture. The PQS as a vital member of the design and construction team should actively collaborate on the efforts to evaluate, estimate, and enshrine circularity in the design choices. For the design team to successfully help a sustainability-conscious or even ambivalent clientele fulfil their mission for a building, the PQS on the project may have to direct the team’s efforts towards circularity. For example, during design, the PQS could provide the life cycle cost analysis that justifies the choice of a sustainable but higher first-cost component to be used on the project. The ability and willingness of the PQS to receive, share knowledge, and opinion freely with architects, design engineers, and owners will be valuable in the journey towards circularity.

4. Be aware of the financing mechanism
Where is the money coming from? Having information on how the project will be financed and paid for, offers the PQS insights into how circularity may apply to their project. This is especially crucial because building projects being capital intensive allow various forms of financing including debt, equity, or other alternative form of financing. For instance, sustainability projects, such as net-zero retrofits for buildings may be alternatively financed through performance contracting where the energy savings are applied to pay for the retrofit investment over an agreed length of time. Knowing the source of finance will enable the PQS to identify how circularity can be applied to the project.

5. Understand and embrace the economics of re-use and retrofits
There are economic benefits to reusing existing building components as well as retrofitting existing buildings in place of new construction. As part of a collaborative building project team, the PQS can highlight the merits from an economic perspective for retrofitting existing stock rather than constructing new buildings. According to the Pembina Institute, existing buildings will make up 50% of available building stock by 2050. Moreover, we can reduce global carbon footprints faster by retrofitting existing buildings to net zero, rather than constructing new green buildings. The PQS should therefore be able to evaluate and provide the economic justifications for buildings re-use.

The building industry is already embracing circularity in some forms, especially at the component level, while technology and resource scarcity can be expected to drive it towards full scale circularity. The journey towards full scale circularity in the built environment will require rigorous examination of the costs and benefits over the next several years and it is in this particular regard, that the PQS is best to offer valuable services.

About the authors

Ayo Daniel Abiola, P.Eng, PQS, is a Buildings Services Specialist at Johnson Controls, a pure-play building solutions provider, where he delivers HVAC and energy solutions to industrial, commercial and institutional buildings. He has experiences providing MEP cost estimating services for construction work in the southwestern Ontario area, and teaches part-time at Fanshawe College.

Thomas Darling, P.Eng, is a Senior Manager, Sustainability Services at KPMG. As a sustainability practitioner, Thomas has extensive experience in GHG advisory and assurance with clients across Canada.
Sharon Lui, Executive/Events Assistant

What is your role at the CIQS and to whom are you accountable?
I am so excited to hold the position as Executive/Events Assistant for CIQS, located in the Markham office. My role includes organizing Chapter and National events (including booking event venues and creating promotional materials) and performing administrative duties related to event planning, the board of directors, chapter relations, and the AGM and nomination/election process.

I am accountable to everyone within the organization, including the Executive Director, National and Chapter board members, and especially the CIQS members, as every event we plan is for the benefit of our members.

What does a typical day look like, and is there much variety in your job?
A typical day for me includes sourcing venues for events, creating promotional materials on our EventBrite registration site, updating Chapter representatives on the attendee status of their events, setting up teleconference meetings, reviewing contracts for event venues, promoting our events via email or phone, sourcing sponsorship opportunities and any administrative duty that is assigned by the Executive Director of the CIQS, Sheila Lennon.

There is definitely a ton of variety in my job. Being bilingual in French and English, I recently completed a translation assignment and also had the opportunity to help organize the Quebec Chapter event that was held in October. I was also fortunate to attend the CIQS Board Meeting in Calgary, where I took minutes and made sure that the meetings and the meet-and-greet ran smoothly.

How long have you been doing this, and how has your role changed?
I have been in the role for only six weeks, but in this short time I have already learned so much about the organization and the logistics of event planning. I literally had on the job training as I flew out to Calgary to help with my first board meeting, just four days after I started this position. I wouldn’t have it any other way.

What is the most satisfying part of your job?
The most satisfying part of my job is to see people thoroughly enjoy their time at the events that I help to plan. I recently received a shout-out on LinkedIn by one of the CIQS board members who thanked me for planning a wonderful event. It is always nice to know that your work is appreciated.

I also love the culture and the people here at the CIQS. It really is a great family environment.

What are the challenges and opportunities of performing your role?
The main challenge of my role is to get more engagement out of our CIQS members, by having them attend more events and workshops that will add value to their membership. Many of our events are held in major cities, including Vancouver, Calgary, and Toronto, so it makes it difficult for many members who do not reside in those cities to attend the events. Holding livestream events and workshops could help remedy this issue as members can connect nationwide.

Tell us a little bit about yourself. Do you have any particular other interests?
In my spare time, I like to rap (yes, you read that correctly) and grow giant, award-winning pumpkins in our front yard. My family (consisting of three kids ages 6, 10 and 14 and a husband) keep me very busy.

I also have a thirst for learning, as I went back to school last year and graduated with a Post-Graduate diploma in Public Relations and Corporate Communications from Centennial College. It was a bit daunting to go back to school with a class full of kids half your age, but it was the most amazing experience.

About the author
Interview conducted by Arif Ghaffur, PQS(F), Editor of Construction Economist.
The future of young Quantity Surveyors in Canada

The CIQS held its 2nd Annual Young Quantity Surveyors (YQS) Programme at the Congress, in Quebec City, July 25th to 28th, 2019. Having attended both this year’s and last year’s YQS programmes, it was clear to me that there is a desire for a younger generation of quantity surveyors in Canada to connect and further their professional network across our country.

The first YQS event I attended was part of the Pacific Association of Quantity Surveyor’s (PAQS) event, an international association of national organizations representing quantity surveyors in the Asia and Western Pacific region. At the time, the event was held and organized by the CIQS in Vancouver 2017. This event was eye opening for me in two ways: one, I hadn’t yet seen a group of young quantity surveying professionals so passionate and dedicated to the industry that they were willing to travel (some at their own cost) to attend this every year; and two, most of these members have been attending the YQS programmes nearly since its inception (10+ years for some members). Although these events are once a year and usually a fair distance from the previous one, they are willing to make these events a priority to maintain a global professional network and continue to learn about ongoing practices around the globe.

It is these principles I envision for YQS in Canada. With so many different practices across our country, establishing a further network designed for the younger generation is a great way to keep members informed. As the CIQS grows its membership, it is my hope that the YQS programmes can promote similar growth for young quantity surveyors across the nation.

My experience at the most recent YQS was similar to the first one in 2018. There were all like-minded YQS starting out, or already established, who wanted to connect and learn with other YQS. The programme had members from almost every Chapter (thanks in part to the David Lai YQS Bursary) as well as other countries in both YQS programmes, thus proving YQS’ desire to learn and connect with each other. Programmes so far include a meet-and-greet for new members to connect and previous members to catch-up as well as a YQS bonding event that coincides with the region in which the Congress is being held. I look forward to future programmes and building the event to include platforms where members can formally share their insights on quantity surveying in their respective regions and areas of work.

On top of the amazing educational event the CIQS Congress provides each year, the YQS programme in Canada is getting more traction with Young Quantity Surveyors in attendance and in structure. This upcoming YQS programme planned in part with Congress 2020 in Winnipeg will provide yet another great platform to continue to build relationships, spread awareness and grow the knowledge of our profession in Canada.

For all young quantity surveyors reading this, keep an eye out for the details on CIQS Congress 2020 taking place in Winnipeg. I can assure you that this event and the YQS programme is the place to build your professional network nationally and grow your knowledge on the industry.

Keep an eye out for the details on CIQS Congress 2020 taking place in Winnipeg. I can assure you that this event and the YQS programme is the place to build your professional network nationally and grow your knowledge on the industry.

About the author
Shane McKernan, PQS is a Project Manager for Landa Global Properties, based out of Vancouver, British Columbia. With over a decade of experience in the construction sector, Shane’s experience includes cost consulting, project loan monitoring and project & construction management. Shane has been on the CIQS – BC Board of Directors since 2013, where he joined as the board’s first ever student member and is now the Chapter President.
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LEADERSHIP INTERVIEW

Interview
Dr. Nelson Ogunshakin OBE

1. What was your role and achievements at the Association for Consulting and Engineering in the UK?
At the Association for Consulting and Engineering (ACE) I was the Chief Executive, responsible for running the organisation and ensuring that it effectively represented the consultancy and engineering industry in the UK and further afield. When I joined ACE the industry was litigious. The high cost of professional indemnity insurance combined with thin profit margins was the bane of the engineering and consultancy sector, and collaboration was rare. The idea that public advocacy, diversity, and bridging the skills gap were vital to businesses operations was only recognised by the most forward thinking in the sector.

Under my leadership, ACE played a major role in effecting positive changes on all these issues. We successfully engaged with four prime ministers and their governments, securing a cost-effective risk management policy, hosted the FIDIC Global Infrastructure Conference in London in 2009, celebrated ACE’s centenary, co-chaired the National Infrastructure Plan Strategic Engagement Forum (NIPSEF) with Danny Alexander (then Chief Secretary to the Treasury), proactively promoted diversity and inclusion across our sector, and helped achieve a true recognition of our members’ work and value with politicians and the wider public. All huge personal highlights for me, and why organisations like ACE exist for their members.

Perhaps most importantly, society now better understands the need for infrastructure investment as an engine for economic growth and wealth creation. This hasn’t always been the case – decisions on Crossrail and the expansion of Heathrow took decades – but there is now a consensus across all political parties and the devolved nations that increased infrastructure investment is vital for the UK’s economic prospects. Given the backdrop of austerity Britain, this is a remarkable ongoing achievement.

2. What is your current role and objectives at International Federation of Consulting Engineers (FIDIC)?
I am the chief executive of FIDIC and responsible for leading the global organisation and all aspects of its work. FIDIC has 102 member associations representing the consulting engineering industry globally and promotes the business interests of firms supplying technology-based intellectual services for the built and natural environments. Given its size and scale, FIDIC is an organisation with massive potential.

FIDIC is a well-established global brand with diverse expectations from its stakeholders; it urgently needs to respond to the emerging challenges facing the global consulting engineering industry. Internationally, our industry faces several key challenges associated with the emergence of China’s economy, price volatility in the oil and energy markets, urbanisation of cities, embracing digital technological innovation, market consolidation, and growing economic and political instability across the globe. My priority was to take a root and branch review of FIDIC’s activities, initially focusing on its core activities, and to deliver them well. In the medium to long term, I am working with the FIDIC board to establish appropriate strategic objectives, effective governance structures, services proposition, closer membership engagement, and the implementation of operational efficiencies to ensure we are responsive to an ever-changing international marketplace and fit for the future.

3. Could you tell us about your training, profession, and what brought you into the engineering and construction industry?
I graduated from Aston University in 1985 with a B.Sc. (Hons) in Civil Engineering and went on to obtain a Master’s Degree in Construction and Programme Management at the University of Birmingham in 1989 and MBA in strategic and Corporate finance at Aston Business School in 1995, where I was awarded a Doctorate degree in Engineering Science in 2011.

Professionally, I am a fellow of the Institution of Civil Engineers, member of the Chartered Institute of Arbitrators, member of Chartered Institute of Marketing, Companion of Chartered Institute of Management, and accredited mediator of CEDR.

I am currently a Royal Academy of Engineers visiting professor on Infrastructure Finance at Aston University and adjunct Professor at Imperial College in London, UK.

As they say, parents always have the biggest influence in anyone’s life. My father was a civil engineer and it seems natural for me to follow his footsteps, knowing that there is always a role for good engineers in any society.

4. You were recognised with the award of the Officer of the British Empire (OBE) in 2010. What was this for?
I was awarded an OBE for services to the UK and international construction and engineering industry. I was honoured to receive the award which I would like to think was in recognition of my 30 years industry experience in the development, delivery, and financing of infrastructure and property construction investment portfolios.

5. You have a number of other industry positions. What are these for and how does this interact with you achieving your objectives with FIDIC?
I am a member of the board of Transport for London (TfL), an organisation with an annual turnover of £10bn and deputy chair
Dr. Nelson Ogunshakin OBE has been CEO of FIDIC since July 2018. He is also a board member of Transport for London, Vice-Chair of its programmes and investment committee, serves on its audit and assurance committee and its customer service and operational performance panel. He is also a TfL nominee board member of Crossrail Limited, a £14.8bn rail development in London. Nelson was the immediate past president and CEO of the UK Association for Consultancy and Engineering for 14 years, during which time he was responsible for the transformation and repositioning of ACE, an association representing the interests of over 450 consultancy and engineering companies employing over 90,000 professionals, with annual turnover close to £90bn. He has more than 30 years’ experience in planning, finance, delivery and management of major property and infrastructure investment projects.

8. What are your interests outside of work and how do you balance the pressures of an executive role with spending time with family?

I love music, occasionally play golf, reading, mentoring young professionals, and spending quality time with my wife, three children, and my granddaughter.

7. Do you travel a lot and do you get an opportunity to see and meet local places and people?

There is a lot of travel involved in my role at FIDIC. Since I became CEO, at the last count I have visited Germany, Luxembourg, China, Dubai, South Africa, Greece, Poland, the US, Mexico, Kenya, Hong Kong, Philippines, France, Belgium, Amsterdam, and Ireland. That is a lot of travel. I have certainly seen a lot of airports and the insides of taxis. I do try to take time out on my travels to visit places of interest, but it’s not always possible given the hectic schedule I often have. Of course, it’s enormously rewarding to meet people from different countries and cultures and to share their experiences of the construction and infrastructure sector. It makes you understand the interconnected world and industry in which we all live and work, and it is certainly true that travel broadens the mind.

6. You have identified yourself as a ‘change agent’. What does this mean and how successful have you been considering the ever-changing market?

In all the roles I have had, I do try to make a difference. The only constant we have in life and in business is change and people work better and more effectively when they embrace change. Of course, no-one welcomes change and people fear, try to ignore, or oppose it but it is always there, especially in the evolving world in which we live. I have always approached change as a fact of life and an opportunity.

Not all change is positive though, and on a global level there are risks from some of the political changes we see. International trade wars fuelled by a rise in protectionism and a rejection of globalisation will make it more difficult to plan and influence the economic environment and find new opportunities abroad. We have been discussing these topics at FIDIC conferences to help us forward in uncertain times. It is clear that we need to reject this emerging economic philosophy. Our economies have thrived by being well-connected and our industry has grown because markets have remained ‘open for business’. Skills gaps have been plugged thanks to overseas expertise and international construction firms are now vital to delivering major projects all around the world. I believe that a better-connected global industry will bring big benefits for citizens around the world, and I’m convinced that FIDIC has a vital role to play in fostering this environment.

5. How do you plan and influence the economic environment and find new opportunities abroad?

We have been discussing these topics at FIDIC conferences to help us forward in uncertain times. It is clear that we need to reject this emerging economic philosophy. Our economies have thrived by being well-connected and our industry has grown because markets have remained ‘open for business’. Skills gaps have been plugged thanks to overseas expertise and international construction firms are now vital to delivering major projects all around the world. I believe that a better-connected global industry will bring big benefits for citizens around the world, and I’m convinced that FIDIC has a vital role to play in fostering this environment.

4. Have you had the opportunity to visit any of the areas related to construction projects you have worked on?

I have certainly visited many places as a result of my work. I have been to many cities and countries around the world, and I have been to many construction sites as well.

3. Are there any lessons that you can share with others about business management?

I have always approached change as a fact of life and an opportunity. It’s a win-win situation. Not all change is positive though, and on a global level there are risks from some of the political changes we see. International trade wars fuelled by a rise in protectionism and a rejection of globalisation will make it more difficult to plan and influence the economic environment and find new opportunities abroad. We have been discussing these topics at FIDIC conferences to help us forward in uncertain times. It is clear that we need to reject this emerging economic philosophy. Our economies have thrived by being well-connected and our industry has grown because markets have remained ‘open for business’. Skills gaps have been plugged thanks to overseas expertise and international construction firms are now vital to delivering major projects all around the world. I believe that a better-connected global industry will bring big benefits for citizens around the world, and I’m convinced that FIDIC has a vital role to play in fostering this environment.

2. How do you handle the pressures of an executive role with spending time with family?

I love music, occasionally play golf, reading, mentoring young professionals, and spending quality time with my wife, three children, and my granddaughter. 

1. What is your greatest achievement in your career?

Achieving success in multiple roles and being able to make a difference in the industry.

About the author
Interview conducted by Arif Ghaffur, PQS(F), Editor of Construction Economist.

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