

THE CONSTRUCTION INDUSTRY IN BC

May 2023



Northern Regional Construction Association



British
Columbia
Construction
Association

THE NORTHERN REGIONAL CONSTRUCTION ASSOCIATION “NRCA”

- Dedicated to the promotion of construction investment, standard practices, and high standards in the construction industry.
- The Association speaks on behalf of all sectors of the industry on construction concerns with government, design and tendering authorities and the public.

THE BC CONSTRUCTION ASSOCIATION “BCCA”

- A provincial non-profit employer association
- Industrial, commercial, institutional and multi-unit residential construction sectors
- Non-partisan, representing all employers regardless of labour affiliation

INDUSTRY PRIORITIES

- Supply chain issues
- Workforce needs
- Prompt payment



TWO KEY AREAS

1. City as an Owner/Buyer of Construction Services
2. City as an Authority Having Jurisdiction (“AHJ”)



THE CITY AS AN OWNER



THE CITY OF PRINCE GEORGE AS A BUYER

WHAT IT MEANS TO BE AN OWNER OF CHOICE

FAIR, OPEN AND TRANSPARENT

- Giving realistic timelines it allows industry to work towards them and plan projects.
- Awarding quickly!
 - Reduced uncertainty means reduced costs
 - Avoiding delays means avoiding excess costs
- Avoiding onerous contract clauses, e.g. bid validity periods, release of holdback funds
- Diversity of delivery methods
- Avoid RFPs on Design-Bid-Build
 - Removal of Contract A: Non-Binding to the Owner but Binding to Contractor
 - Less bids/higher prices
- Continued collaboration – contractors as partners and open communication with association
- BCCA Engagement Award

THE CITY OF PRINCE GEORGE AS AN OWNER

TRADE AGREEMENTS

- Municipalities fall under the trade agreements and their thresholds for public posting of construction opportunities
- BCCA Policy states industry seeks all projects over \$100,000 are publicly posted.
 - *Why?* Accessibility to smaller firms; fair; more competition and encourages local firms
 - The market takes care of itself: local labor and workers

As of January 2022, these thresholds are:

Trade Agreement	Procurement Type	Ministries/ Departments	Crown Corporations	MASH
NWPTA	Goods	\$10,000	\$25,000	\$75,000
	Services	\$75,000	\$100,000	\$75,000
	Construction	\$100,000	\$100,000	\$200,000
CFTA	Goods	\$30,300	\$605,600	\$121,200
	Services	\$121,200	\$605,600	\$121,200
	Construction	\$121,200	\$6,056,100	\$302,900
CETA	Goods	\$366,800	\$651,000 ¹	\$366,800
	Services	\$366,800	\$651,000	\$366,800
	Construction	\$9,100,000	\$9,100,000	\$9,100,000
UK	Goods	\$366,800	\$651,000 ²	\$366,800
	Services	\$366,800	\$651,000	\$366,800
	Construction	\$9,100,000	\$9,100,000	\$9,100,000

http://www.newwestpartnershiptrade.ca/pdf/procurement_guidelines.pdf

THE CITY AS AN “AUTHORITY HAVING JURISDICTION”



THE MUNICIPALITY'S OVERSIGHT OF PROJECTS IN PRINCE GEORGE

CITY OF PRINCE GEORGE UNDERSTANDING THE IMPACT THE PERMITTING PROCESS CAN HAVE

- A significant and material risk to construction, which drives up the cost to build:
 - Uncertainty means increased costs
 - Delays mean increase costs
- There may be penalties for the contractor via the contract with the owner – but contractors have no control over the AHJ

WHAT CITY OF PRINCE GEORGE IS DOING TO MITIGATE IMPACTS

- Giving realistic timelines so industry can work towards them and plan projects
- Creating accountability/KPIs for all parties (e.g. response within xx days)
- Open communication channels to understand challenges and work towards solutions
- Government employees acting as a partner, not a hindrance, while providing due diligence

Join us for the next *Owners Only* Webinar

- "Lunch n' Learn" Zoom webinar for public sector staff
- Free!
- Presenter is a *neutral* industry expert
- Past sessions: CCDC, Procurement Law, Why Contractors Don't Bid, Risky Business
- BCCA and NRCA as a trusted resource



**QUESTIONS/
THANK YOU**