



# City of Prince George - COVID-19 and Economic Recovery

June 14, 2021





# About ICBA

- A strong voice for industry for 46 years
- Speaks for 85% of the 250,000 men and women in construction
- More than 3,300 member companies and clients
- ICBA Benefits is one of the largest independent providers of group health and retirement benefits in Western Canada
- Single largest sponsor of trade apprentices in B.C. – 1,700 apprentices
- ICBA trains 4,300 + industry professionals annually
- The largest social media footprint of any trade or business association in BC with 100,000 + followers
- Advocates for the jobs and opportunity that flow from major infrastructure projects and responsible resource development
- Selected North American *Trade Association of the Year* in 2019 and 2021

# ICBA Brands



# COVID-19 and Economic Recovery

- BC construction companies pivoted quickly in March 2020 to meet safety and health challenges
  - ✓ Industry never shut down
  - ✓ ICBA fought on behalf of the industry to remain an essential service
- For BC construction companies working off of pre COVID-19 project order books, the big question were 2021 volumes
- What will determine the level of activity in 2021?
  - ✓ Business / consumer confidence
  - ✓ Supply chain and materials cost
  - ✓ Ability of governments to fund stimulus projects



# COVID-19 and Economic Recovery

- Construction companies prepared and anticipated a slow recovery:
  - ✓ 2019 may be the high water mark for construction activity for the next few years
- Monthly, ICBA tracks construction volumes worked by a large sample size of our members and clients:
  - ✓ 2020 started strong with a 6% increase in work (Jan/Feb) over 2019
  - ✓ YTD sector is down 10% compared to 2019
  - ✓ The result, 16% pull-back in construction volume due to COVID-19



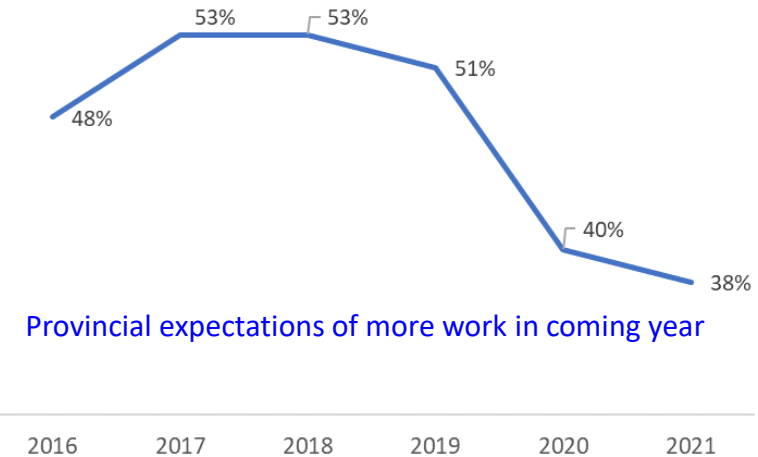
# Industry Feedback

- ICBA meets regularly with members and stakeholders across BC:
  - ✓ Material cost escalation and supply chain constraints – the major headline story in construction in North America
  - ✓ Private tendering has slowed because of cash strapped owners
  - ✓ Uncertainty around COVID-19
  - ✓ Concerns around higher taxes
  - ✓ Ever-increasing government red tape

# 2021 Provincial Forecast

Construction Industry remains optimistic, but lots of uncertainty.

- Pay increases in construction forecast at 3.5% for 2021, down from 4.8% predicted last year for 2020. 2022 predicted at 4.2%.
- Sub-contractors reporting a dramatic increase in competition on bids for new work – from 3-4 subs on a bid to 10-12 subs because of Covid-19
- Work expectations for next year have deteriorated from a year ago:
  - ✓ 49% believe will have same level of work, 38% say more work, 13% expect less work.
  - ✓ A year ago, expectations were 54% same, 40% to increase, only 7% saw a decrease



# 2021 Northern BC Forecast

- 56% of “northern” members polled expecting an increase in work in 2021
  - ✓ Up from 38% in 2020
- 67% of northern members polled say there are not enough of the skilled workers they need
  - ✓ Shortage in glaziers, insulators, steel fabricators, mobile crane/equipment operators, roofers
- How companies are dealing with labour shortages:
  - ✓ 65% spending extra time on recruitment
  - ✓ 53% turning work down
  - ✓ 51% can't complete work on time
  - ✓ 45% paying overtime
  - ✓ 45% spending extra time on training



# Material Cost and Supply Chain

- North American problem – we are not alone!
- Materials cost increasing (lumber, steel)
- Cost of doing business increasing - procurement teams evolving
- Competition increasing and margins reduce
  - ✓ Bidding on fewer projects
  - ✓ 3-4 bids now 10-12 bids
  - ✓ 0-1% margins
  - ✓ More diligent in bid process, ensuring estimates are accurate
  - ✓ Contractors that focus solely on public work may have to start looking at private projects and vice versa
  - ✓ Bid requests from new companies – having to train GC's
- Project Deferral
  - ✓ Slow down of projects based on availability of supply and cost
  - ✓ 10 week delays are now easily 18 weeks



# Project Analysis

- What is the demand level? Evaluate need for the project.
- Will suppliers be able to supply what you need?
- How much inventory do you have and what is needed?
- Cost escalation?
- Do payment terms and conditions need to be renegotiated?
- Will current conditions cause delays?
- Have international suppliers been disrupted?
- Can I utilize local suppliers?



# Time for Government to be Bold

1. Now is the time for government to be bold, to issue RFPs and tenders for important construction projects
  - ✓ Spark the economy and create needed transportation, health, and housing infrastructure
2. Municipal governments:
  - ✓ Even with limited budgets and borrowing capabilities, should focus on speeding up approvals for private investment in communities
  - ✓ Mayors and Councils should aggressively cut red tape and find ways to get projects going now
  - ✓ Fast tracking approvals and inspections, issuing permits, and quickly rolling out bold plans

# ICBA Workplace Wellness Program



ICBA WORKPLACE WELLNESS PROGRAM: TOOLBOX TALKS

## Mental Health Stigma: Where it Comes From

### What's This About?

Our company is part of the ICBA Workplace Wellness Program - which provides all employees with tools and information for better living. This month's theme is mental health stigma.

What do we mean by this? Simply that a lot of people feel uncomfortable or even ashamed talking about their own mental health, and may not like talking about their friend's or a co-worker's either.

### Today's Talk:

Stigma around mental health comes from several different sources:

- **Self Stigma** - an individual's own perceptions that their mental health issue isn't worth taking seriously, or shows weakness
- **Co-worker Stigma** - lack of understanding or negative judgements demonstrated by the co-workers of a person dealing with a mental health issue
- **Employer Stigma** - unfair treatment by a supervisor or employer based on the fact that a worker has a mental health issue



### Take Away:

Self Stigma is something we all need to be conscious of - since it's often a barrier to getting help. We've also got important responsibilities towards co-workers who may have mental health issues, and employers need to take this issue seriously and provide respectful responses and support.

### Wrapping it Up:

Mental health is real and important, and we should treat it much the same way we treat our physical health. Watch for more information throughout this month, and please check out [icba.ca/wellness](http://icba.ca/wellness) for additional resources and access to ICBA's online course.

Tools for Better Living

ICBA  
WELLNESS

## Workplace Wellness Program

- Designed to create lasting workplace culture change, with benefits for both employers and employees
- 12 monthly themes
- Materials delivered monthly
- ICBA members and ICBA Benefits Services clients receive preferred pricing
- Coming this summer

← *Example of a toolbox talk, one of the monthly resources*

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# Thank You

## Independent Contractors and Businesses Association



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