



Canadian Institute of
Quantity Surveyors

Institut canadien des
économistes en construction



A Written Submission for the
Pre-Budget Consultations
of the
House of Commons Standing Committee on Finance

Submitted by:

The Canadian Institute of Quantity Surveyors

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CIQS RECOMMENDATIONS

1. CIQS strongly advises the federal government bring forward, to earlier years, funding committed by the Investing in Canada plan in all project streams to stimulate the economy and provide customers for Canada's construction sector.
2. CIQS also recommends the federal government commit to studying the potential benefits of ensuring professional quantity surveyors are involved in all federal projects to provide cost assurance and best value to tax payers in the context of historic infrastructure investments.

BACKGROUND

Canada's construction sector is an engine of economic growth. Investments in new infrastructure creating lasting community assets, support business growth and improve quality of life for all Canadians.

As the national organization committed to ensuring the efficiency of construction projects, CIQS members will play a vital role in Canada's economic recovery from the COVID-19 pandemic. While it appears that construction has not been affected as drastically as other sectors by the pandemic there are real impacts that have slowed projects, added costs, caused uncertainty and led to less confidence going forward.

Professional Quantity Surveyors (PQS) working on projects help all parties liaise when problems arise. As such, they have been especially busy helping general contractors, trade contractors, suppliers and labour find immediate resolutions to challenges caused by the COVID-19 pandemic. This includes helping to adjust construction budgets and estimates when materials are not available due to supply chain disruptions, addressing concerns about milestones due to labour shortages, and helping new projects come to fruition in an uncertain environment.

Over the coming years the role of PQS and Construction Estimators Certified (CEC) will be more important than ever. We anticipate investments from the Canada Infrastructure Bank and Investing in Canada plan will hit their stride, as well as new investments to encourage economic growth. At the same time, with high government borrowing at all levels it will be vital that we ensure every dollar is spent wisely.

CANADIAN INSTITUTE OF QUANTITY SURVEYORS

CIQS is the premier professional association that sets the highest standard for construction and infrastructure economics in Canada. Designated Professional Quantity Surveyors (PQS) and Construction Estimator Certified (CEC) professionals counsel building owners, developers, designers and contractors at throughout the construction industry supply chain from design, procurement and construction process to help ensure a return on investment is delivered. In this economic climate, Professional Quantity Surveyors and Construction Estimator Certified professionals are more valued than ever as an integral part of the building and construction process. Not only do we play a key role in ensuring infrastructure investment is protected, our members daily identify opportunities and efficiencies that deliver benefits to the triple bottom-line.

RECOMMENDATION 1

BRINGING FORWARD COMMITTED INFRASTRUCTURE INVESTMENTS

Major infrastructure projects, new build ICI and residential construction, and maintenance and repair activities were the some of the first activities to be deemed essential or to re-open once the first lockdown stages began to lift. To some, this may seem like an indication that the sector has not suffered, but the evidence paints a different picture.

Even once restrictions lifted, 73% of contractors in Ontario forecasted that their calendar year revenue would be down compared to 2019.¹ As revenues have declined, costs have increased, including the expectation that project costs will rise 13% on average² due to new requirements for physical distancing and personal protective equipment. Further, across the country, projects of all varieties have seen challenges with supply chains. Whether they depend on stone from overseas or lumber from domestic production, delays cost money and often lead to project issues that cause disputes. PQS' on projects aim to address these challenges, but our members do not work on all projects, and in some instances, solutions are difficult to achieve. While the losses in construction are not as substantial as those being felt in sectors that went to zero, they pose significant concerns for the viability of businesses moving forward.

The federal government has committed to bringing a portion of funds for the Investing in Canada plan forward in response to the COVID-19 pandemic. These funds will be committed to adapting community resources to respond to physical distancing and other measures needed to keep people safe and healthy over the years ahead. Ideally, these measures will be implemented quickly, and represent an opportunity to model simplified delivery and applications for municipalities, First Nations and other owners on major projects.

Bringing committed funds forward is a step in the right direction. It is also a measure that we would encourage the federal government to take for other project streams. The current practice is to budget large sums and weight the investments more heavily toward the back end of the plan.

¹ https://iciconstruction.com/wp-content/uploads/2020/06/Coronavirus-Contractor-Survey-3_-Reemergence-Adaptation.pdf

² Ibid.

By bringing funding forward for all streams of the Investing in Canada Infrastructure Plan, the government will spur growth and aid in Canada's recovery when investments are needed most.

CIQS strongly advises the federal government bring forward, to earlier years, funding committed by the Investing in Canada plan in all project streams to stimulate the economy and provide customers for Canada's construction sector.

RECOMMENDATION 2

ENCOURAGE THE PARTICIPATION OF QUANTITY SURVEYORS ON FEDERAL PROJECTS THROUGH SUPPORT FOR PROJECT PROPONENTS

Professional Quantity Surveyors are construction economists that help project stakeholders make the most of their time, funding, and resources. This role will be increasingly valuable as federally funded infrastructure projects continue to be delivered from coast-to-coast-to-coast.

Municipalities, First Nations, and other groups that seek funding through the Canada Infrastructure Bank (CIB) and Investing in Canada Infrastructure Program (ICIP) will be expected to deliver cost assurance with their selected vendors in the construction sector. CECs and PQSs will help these governments put together the appropriate estimates and bids to secure investments, but they also play an equally valuable role throughout the lifecycle of the project. This role is often overlooked by policy makers.

The benefits of involving professional, qualified construction economists as part of the project delivery teams are clear. Ensuring that deliverables are fit to the purpose of a mutually agreeable end goal is a function that PQS' are uniquely suited to. We ensure every dollar invested in a project goes further.

There are multiple ways the government could ensure quantity surveyors are a part of all major projects. We suggest that the right threshold for

involvement would be on construction projects with a total budget of \$2 million or greater. We also advise that changing the process of tenders and bids would be unacceptable to many stakeholder partners in the construction and infrastructure sectors. We therefore advise a government-provided benefit to project proponents who win bids that would allow them to hire or consult a PQS based on criteria allotted based on the scope and outcome objectives of a given project.

This proposal is worth consideration in the context of historic deficits and government borrowing. Making sure investments are appropriately made, managed closely, and delivered quickly are the strengths of CIQS members and exactly what taxpayers will need for the recovery ahead.

CIQS recommends the federal government commit to studying the potential benefits of ensuring quantity surveyors are involved in all federal projects to provide cost assurance and best value to tax payers in the context of historic infrastructure investments.