

Construction Obstruction: Experts say tendering process curbs building season; offer solutions to speed up process

Originally published by The Winnipeg Free Press, written by Kristin Annable

It's a rite of spring: workers in orange vests, traffic cones and closed-off lanes appear across the city, grinding traffic to a halt as construction season descends upon Winnipeg.

From the seemingly never-ending construction around Polo Park on St. James Street to the Sturgeon Road bridge, it is omnipresent. But those in the construction industry say Winnipeg could be doing it better and more efficiently.

Imagine having a construction season lasting six weeks longer, meaning projects can start and finish in the same year. Imagine having shorter disruptions. Imagine more projects getting completed.

Those are all possible, according to Chris Lorenc, president of the Manitoba Heavy Construction Association, and others, if the city revamps its system. For Lorenc, having projects identified, tendered and approved earlier, which would allow workers to start right after the May long weekend and work until November, would reap the biggest benefit.

Lorenc would like the complex design, tender, bid and build process for every project simplified.

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WORKSAFELY MHCATM

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"If I want a tuxedo because I need to go to a wedding on July 5, do I wait until July 4 to get my tuxedo, when I have no opportunity to get a price? Or am I going to look for it in April or May and make the deal that's best for me?"

Money isn't necessarily the problem. The province has committed \$5.5 billion for infrastructure over five years, newly elected Prime Minister Justin Trudeau promised \$60 billion for projects across the country in the next 10 years. The City of Winnipeg budget includes \$640 million for local and regional road renewal in the next six years.

However, getting the work done on time and in one season appears to be a problem. The city was unable to spend \$16 million of its road budget this year. That's after failing to spend more than \$20 million of the 2014 budget.

The Free Press spoke to city engineers, members of the construction industry and city councillors to pinpoint how the city can improve the road-building process.



Tuesday morning traffic travels down Sturgeon Rd. to Portage Ave. around the bridge span under construction over Sturgeon Creek. Photo by Wayne Glowacki / Winnipeg Free Press

Why can't we just close a street?

Forcing Winnipeggers to detour from their given route is an unpopular idea, but the construction industry says it has a big payoff. There would be a significantly shorter disruption period, cheaper contract costs and workers would have access to a safe worksite.

Peter Withoos, a principal with M.D. Steele Construction, a builder of bridges and underpasses, gave an example of how this practice could benefit Winnipeggers. During the rehabilitation of the Pembina Highway overpass at the south Perimeter Highway a few years ago, the company was forced to break the two-year project into sections to maintain traffic flow on and below the bridge.

"You stretch out the contracting into two years as opposed to doing it in one year," Withoos said. "But if we did it for one year, the bridge would have been closed and traffic routing would've been a nightmare. We are restricted in terms of how they reroute traffic around the site."

Lorenc argues it would allow crews to work quickly and safely and would save on costs.

"It would probably be done weeks ahead, you are still going to have traffic disruption... but would you rather have two months of traffic interruption or six weeks?" he asked. "The public ask why is it taking so long? Well what the public needs to understand is that we do it in the exact way the contract allows us."

Michelle Stainton, a city engineer, said it would have to be done on a project-by-project basis.

"We close local streets often. On regional streets though, it is rare. You have to consider you are affecting businesses and major traffic routes," she said, noting the uproar that occurred when Plessis Road was closed. "It shaved months and months off our delivery time, but it was not without pain."

The major Transcona artery was closed in the summer of 2013 from Dugald Road to Kernaghan Avenue as part of a \$77-million road-widening and underpass-construction project, much to the chagrin of a vocal group of drivers incensed by the project's delay and traffic headaches. Two lanes of Plessis Road were finally reopened late last month.

"That's very frustrating when you're driving all the way around and spending more money on gas and more time and nothing's happening with the road and you can't use it," a motorist told the Free Press in 2014.

Tender early

Going to tender, which allows private contractors to bid on projects, is arguably the most important first step in making your trip down St. James Street smoother.

While the province released its 2016 tender list on Friday, the city, beyond a three-year list of regional road repair plans, has yet to pass a budget and get its ducks in a row before its construction proposals for the season are revealed.

"We wait for (the province's tender) list every year because that lists helps us. It can change, but at least it gives us a guideline as to what they are going to tender for the coming year," Withoos said. "I think what the contractors have to realize is that if you put out a major project in July, by the time you get a contract go-ahead, that gives you a very short window to complete that work."

Everyone agrees the city issues tenders too late. The construction industry scrambles to assemble the crew and equipment needed to fulfil the city's needs for the season.

The city has attempted to get tenders out earlier -- typically in April or May, Stainton said. But beginning the work earlier can be problematic. City engineers are in charge of planning the release of contracts for next year's work, but in the late summer and early fall they're busy working on the city's construction projects for the existing year, she said.

"We're working with a whole bunch of balls in the air, the underground, there's traffic everywhere, if there's construction on one road we have to be careful and not jump the gun and work on a route that is going to snarl someone else's alternative route," she said. "The one thing I think we can do is get our engineering contracts out earlier, and that is something we try to do... but to do that at the right time, we would need to be drafting and issuing requests for proposals in the late summer and that's our busiest time for construction."

Other ideas:

Switching to a three-year capital budget

Public works chairwoman Coun. Janice Lukes says that's the goal. She wants to see the city move away from passing its capital budget annually. A three-year budget would give the administration and industry more time to prepare, knowing what funds have been allotted and what projects are upcoming.

"It's all about planning. If you can plan ahead, you have a better understanding of the finances... and resources from a staffing perspective," Lukes said.

Former finance chairman Coun. Russ Wyatt wants to see the city release its capital budget report, in order to see what projects council can authorize ahead of passage of the capital budget next year. Current finance chairman Coun. Marty Morantz said the public service is expected to ask for the city to authorize spending on a few projects this month, but most likely for larger multimillion-dollar projects.

Switching to standardized contracts

Ron Hambley, the president of the Winnipeg Construction Association, believes fewer projects would go off the rails budget-wise or be delayed if the city used standardized contracts, much like Hamilton, Toronto, Saskatoon and provincial government departments. It was one of the first requests the association made when Mayor Brian Bowman was elected last year. There has been no movement so far. The contracts -- created by the Canadian construction documents committee -- are "tried and tested" and would make projects run smoother and more efficiently, Hambley said.

The city prefers its contracts be written in-house, and believes standardized contracts do not protect the city effectively.

"What is in there is how changes are dealt with, the cost of changes and how disputes are resolved, insurance

and bonding,” Hambley explained, adding there are contractors who won’t bid on city projects because they don’t use standardized contracts. “The best contractor in the city could deal with one (a non-standardized contract) and it was a nightmare, and then just decides not to come back.”

Tender projects in one package

Lorenc wants the city to focus on doing a large swath of streets in one shot -- as opposed to tendering projects on a patchwork basis, such as splitting a large regional road project into two contracts. It could potentially save tens of thousands of dollars and time, he said.

“The streets are in such a crappy condition, that doing patchwork doesn’t give you any advantage,” Lorenc said. “It’s an efficiency game, it is getting more value for the dollar.”

The WCB adjusts its assessment rate model to enhance fairness and balance

The Workers Compensation Board of Manitoba (WCB) has announced it will be introducing changes to its current assessment rate model to enhance fairness and balance, based on recommendations from stakeholders. Some of these changes will take immediate effect while others will be phased over the next five years.

Throughout this transition, the WCB invites you to visit their website and keep informed on what they’ll be working on and changing next. Visit their designated webpage, <http://www.wcb.mb.ca/rate-model-enhancements>, and check out their new brochure, booklet, Frequently asked Questions section, recent News Release and case studies.

iMaQs

iMaQs Training by the Manitoba Mines Branch

The Manitoba Mines Branch will be offering iMaQs Training at the Manitoba Heavy Construction Association (MHCA) on December 2 and 9, 2015.

December 2 - training session, 9 a.m. - noon
December 9 - training session, 1 p.m. - 4 p.m.

The training will focus on:

- Registering online for an iMaQs account
- A walk-through of how to look for information as disposition owner and/or administrator conducting business on behalf of the company
- Submitting and editing an Exemption Certificate
- Submitting a Quarry Return
- Using iMaQs Map Viewer
- Entering and submitting an application online (Private Quarry)

This training course will include a live test system demonstration and hands-on training on how to effectively enter and search for information. Throughout the duration of the course, Mines Branch Quarry Recording Office staff will be available to answer questions and assist clients with how to use iMaQs. All course materials will be provided.

To register for the iMaQs training course, contact Christine Miller at:

MHCA
Unit 3 - 1680 Ellice Ave.
Winnipeg, MB R3H 0Z2
Phone: 204-974-1379 ex. 14
Email: christine@mhca.mb.ca

For further information on the training itself, contact the Manitoba Mines Branch:

Phone: 204-945-6528
Email: Mines_Br@gov.mb.ca

Report: ROI of Public Infrastructure to be Massive

Originally published by ReNew Canada and featured in CCA Weekly



Canadian
Construction
Association

A new report by the Canadian Centre for Economic Analysis (CANCEA) shows that the economic importance of public infrastructure investment is vastly greater than previously found using traditional economic models. Using unique agent-based modelling, CANCEA found that public infrastructure investments generate an economic return on real GDP that is almost eight times as large as the impact predicted by traditional economic models.

Investing in Ontario's Public Infrastructure: A Prosperity at Risk Perspective uses a big data/big analytics approach to assess infrastructure impacts. Led by Paul Smetanin, the CANCEA team examined the long-term economic impact of Ontario's 10-year, \$130-billion infrastructure plan using its unique research platform called Prosperity at Risk that employs agent-based modelling—a framework for modelling a dynamic system by means of individual agents and their mutual interaction with each other. An agent is an autonomous individual, firm or organization.

"We are very proud of this research," Smetanin notes. "We hope it helps inform the broader discussion about how investment in our public infrastructure can be a catalyst to promote long-term prosperity."

Sean Strickland, CEO of the Ontario Construction Secretariat (OCS), says: "We always knew that strategic investment in bridges, roads and hospitals was a good idea, but now we know just how much tax revenue these investments generate for governments and how they enable the broader economy to grow much more strongly and for far longer."

Andy Manahan, executive director of the Residential and Civil Construction Alliance of Ontario (RCCAO), states that this research reinforces the value of infrastructure investment. "This modelling shows us that a \$1-billion investment in public infrastructure supports 85,000 job-years in Ontario over the next 30 years. When governments invest in public infrastructure, there are huge returns in tax revenue."

The report found that for every \$1 billion invested in infrastructure as part of Ontario's confirmed 10-year, \$130-billion plan, \$1.7 billion in provincial tax revenue will be generated relative to not making this infrastructure investment.



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Awards Breakfast & Annual General Meeting

Friday, November 20, 2015 8 a.m. - 11:30 a.m.

RBC Convention Centre, Room 2EF (second floor)

Greetings from: The Honourable Steve Ashton, Minister of Infrastructure & Transportation

Keynote Speaker: Dan Lett, Columnist, Winnipeg Free Press

Awards, Year in Review and Membership presentations to follow.

Tickets: \$49 +GST (per person)

No. of tickets: _____



MHCA Annual Chairman's Gala

AN EVENING IN BLACK & WHITE

Saturday, November 21, 2015

**RBC Convention Centre,
Winnipeg, MB**

Cocktails - 6:30 p.m.

Dinner - 7:30 p.m.

Tables of 10 available

Tickets: \$205 +GST /person
(all inclusive)

No. of tickets: _____

Company: _____ **Contact Person:** _____

Phone: _____ **Please Invoice:** _____

Visa / MC / AMEX #: _____ **Exp. Date:** _____ **3-Digit Security Code:** _____

Card Holder Name: _____ **Signature:** _____

Delta Winnipeg, reservations: 204-944-7243 - room rates starting at **\$149**

Quote: Manitoba Heavy Construction Association

Fill out this form in full and fax it to Christine Miller at the MHCA office at 204-943-2279.

To request a special meal, to accommodate any food allergies and/or dietary restrictions, you can reach Christine directly at 204-947-1379 or christine@mhca.mb.ca.



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February 24 & 25, 2016

EXPO SOUTH

Destination: **Winnipeg**
April 5 & 6, 2016



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THOMPSON, MB WINTER ROADS TRAINING



Winter Roads Training will be held at the Burntwood Hotel, in the Executive Room, from **November 30 – December 4, 2015**

COR™ Leadership in Safety Excellence	November 30	For any training requests and to register, please contact: Sarah Higgins WORKSAFELY™ Training Coordinator e: sarah@mhca.mb.ca t: 204-594-9060
COR™ Principles of Health & Safety Management	December 1	
COR™ Auditor	December 2	
WHIMIS	December 3 (a.m.)	
Transportation of Dangerous Goods (TDG)	December 3 (p.m.)	
Winter Roads Training	December 4	

This training is open to anyone. Training for Aboriginal Communities building winter roads will be sponsored by Manitoba Infrastructure and Transportation

Please note that a minimum of six (6) students is required to hold the training. WORKSAFELY™ policy states cancellation must be made at least two business days in advance - otherwise, full course fee charges will apply



MANITOBA HEAVY CONSTRUCTION ASSOCIATION

p. 204-947-1379

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WORKSAFELY MHCA SAFETY TIPS

Working Outdoors in Fall/Winter

Fall/winter can be seen as a nice and refreshing change of pace, compared to the blistering hot and humid summer days; however, cold winter weather can present some serious risks like frostbite and hypothermia. So whether you are at working at home or on the job, please note that there are precautions that everyone must take in order to stay safe and reduce the risks associated with working outdoors:

Wear layered clothing

Wearing multiple layers of clothing allows the worker to adjust their comfort and protection, based on current temperature. Take off layers as you get too warm and put them on as it gets colder.

Take extra clothes

Bring a change of clothes in case you get wet. Dry clothing always help keep workers warm, especially when working outdoors.

Take a break

During extremely cold or windy weather, take regular breaks to warm up before continuing work. If possible, take shelter indoors from time to time, to warm up that body. If it gets extremely cold, stop working immediately and get inside to warm up. Do not risk your life for a job.

Drink up

Even though it's cold out, keep hydrated by drinking water or other warm drinks. You will still sweat when working, even in cold temperatures. Avoid caffeine and alcohol. Dehydration is a major contributor to hypothermia.

Take shelter

In windy conditions and if the workspace allows it, set up a shelter to block the wind. This will help alleviate some of the difficulties of working in the cold.

Know the signs

Learn to recognize the signs and symptoms of frostbite and hypothermia. Get inside if you begin to experience them. If you see a co-worker showing symptoms, take them inside immediately.

Anti-slip shoes

To avoid slipping on ice, wear winter boots with a strong tread. Spread sand or rock salt on the ice to provide a rough surface for footwear to grip.

Clear the path

Shovel pathways where employees, clients and/or the general public will be walking.

Heat ventilation

If using a non-electric heater to heat a shelter, ensure the shelter is ventilated to let gases like carbon monoxide escape. Or, use a heater where the heat generator can be placed outside while the heated air is pumped into the shelter.

Drive safely

When driving in winter, ensure your vehicle's fluids are topped up. Be aware that the road can become icy, so drive slower and pay attention to changing conditions.



**TO REGISTER,
PLEASE CONTACT:**
Sarah Higgins
sarah@mhca.mb.ca

Training Schedule

November

Traffic Control Coordinator	Nov. 16 - 17	MHCA Office
COR™ Leadership in Safety Excellence, Thompson, MB	Nov. 30	Burntwood Hotel

December

COR™ Principles of Health & Safety Management, Thompson, MB	Dec. 1	Burntwood Hotel
COR™ Auditor, Thompson, MB	Dec. 2	Burntwood Hotel
WHMIS (1/2 day AM), Thompson, MB	Dec. 3	Burntwood Hotel
TDG (1/2 day PM), Thompson, MB	Dec. 3	Burntwood Hotel
Winter Roads, Thompson, MB	Dec. 4	Burntwood Hotel

January

COR™ Leadership in Safety Excellence	Jan. 11 -12	MHCA Office
COR™ Principles of Health & Safety Management	Jan. 13	MHCA Office
COR™ Auditor	Jan. 14 - 15	MHCA Office
COR™ Leadership in Safety Excellence, Brandon, MB	Jan. 11 - 12	St. John Ambulance
COR™ Principles of Health & Safety Management, Brandon, MB	Jan. 13	St. John Ambulance
COR™ Auditor, Brandon, MB	Jan. 14 - 15	St. John Ambulance
Train the Trainer	Jan. 18 - 19	MHCA Office
Flagperson (1/2 day AM)	Jan. 20	MHCA Office
Committee/Representative Training	Jan. 20	MHCA Office
WHMIS (1/2 day AM)	Jan. 21	MHCA Office
TDG (1/2 day PM)	Jan. 21	MHCA Office
Excavating and Trenching (1/2 day AM)	Jan. 22	MHCA Office
Traffic Control Coordinator	Jan. 25 - 26	MHCA Office
Team Leader (1/2 day AM)	Jan. 28	MHCA Office
Effective Delegation	Jan. 28	MHCA Office

February

Written Communication (1/2 day AM) ACCREDITATION: G.S.C./LCP	Feb. 11	MHCA Office
Verbal Communication (1/2 day PM) ACCREDITATION: G.S.C./LCP	Feb. 11	MHCA Office
EXPO North, Thompson, MB Held at the Thompson Regional Community Centre & University College of the North	Feb. 24 - 25	

Growth's Great Reversal

By Peter G Hall, Vice President and Chief Economist



No, this is not a rewriting of the forecast. The US market is still fundamentally strong, and is leading the world back to a new growth cycle. It's the growth itself that is prompting a reversal that many in today's workforce have never experienced. In fact, it's a unique moment in economic history, so much so that it has created a huge grey zone for the planet's immediate growth path. What is this reversal, and how is it likely to affect global conditions in the coming months and years?

It's probably the most anticipated economic event of the decade. Interest rates, dormant for over six years, are slowly stirring. In past cycles, the tightening of monetary policy has been a big event, but nothing like today's drama. Credit has been so cheap for so long that there is a fear that – like Japan – we have become addicted to it. Some would argue vociferously that rate hikes are exactly what the Fed should not do, given domestic and global conditions. Is there a good reason for a rate liftoff?

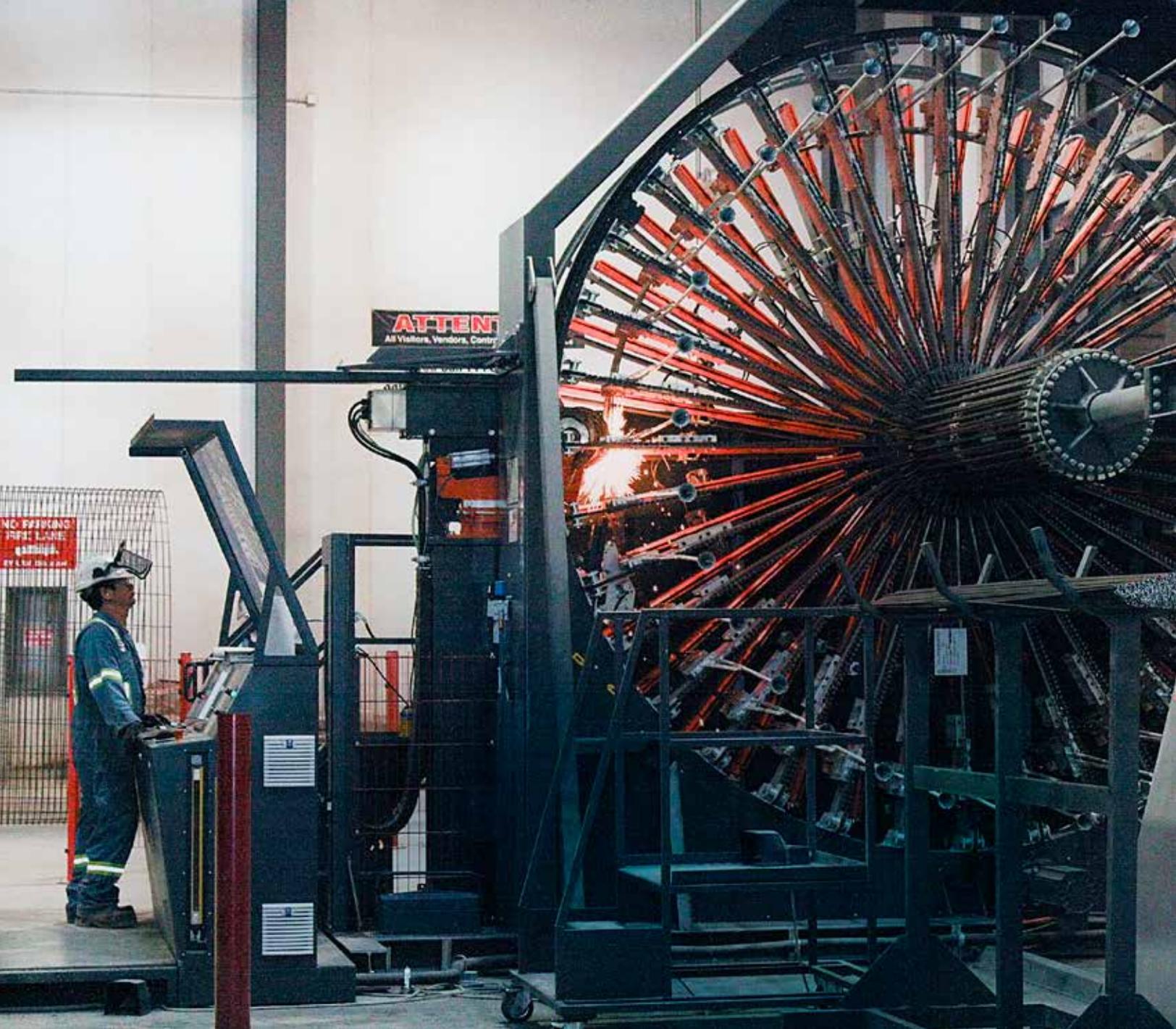
The domestic evidence for higher rates is compelling. First, the labour market is getting tight. True, if we rolled in post-crisis displaced workers, there would still be plenty of spare hands. Trouble is, many who quit in the downtimes aren't coming back. The US unemployment rate is now down to the zone that usually triggers outsized gains in real wages. If so, the Fed will have delayed rate hikes too long. What is more, demand for labour isn't abating, given two additional reasons for imminent interest rate hikes: hot US consumer spending and an industrial sector that capacity-wise is bursting at the seams.

What of those who fear that higher rates will bring on a recession? There's always a group that raises this fear on the eve of rate hikes. Sometimes it's proven right. If the economy is overheating in a mature growth cycle, there's a real danger that rate hikes will reveal – and burst – bubbles that have formed. However, bubbles aren't common in an economy emerging from a recession or a period of stagnation. Higher rates keep a liftoff economy from getting out of control, which can easily happen if there's lots of cheap credit lying around. So, interest-rate-induced recession isn't the reversal we are talking about.

What is, then? The answer is that the twin sister of rate hikes is the sopping up of the extra liquidity made available through the Fed's quantitative easing (QE) program. Like rate hikes themselves, quantitative tightening (QT) is triggered by growth. If QE distorted financial markets – and we are convinced it did – then QT ought logically to un-distort markets. Trouble is, in this environment, nobody really knows what the normal is that we are trying to get back to. It's a Great Reversal that's really a matter of trial and error, which, by definition, is volatile. How? Well, tightening has roiled asset markets, especially high-yielding bonds, commodities, stock markets and peripheral currencies. Current volatility is causing weakness in affected countries that could spread elsewhere. In fact, there is no guarantee that growth will actually prevail over its own negative consequences.

However, we believe that the balance is tipped in favour of growth. First, growth is generally spurring higher activity. Prices may be falling for a number of goods, but actual throughput is increasing – and the last time we looked, the movement of stuff is what creates jobs. Second, lower prices themselves stimulate activity. Plunging gasoline prices have given US consumers a \$100 billion bonus this year, and other nations are also benefiting greatly. Third, the rising US dollar is actually helping to spread the growth worldwide. Fourth, there are limits to financial market volatility; after all, the aging of the population has created lots of pension fund liquidity, demanding higher-yielding assets. Although credit is tightening, the pool of available capital is still deeper than normal, and should have a moderating effect on markets. And finally, volatility is contingent on the deftness the Fed shows in ring-fencing liquidity. For the Fed, this is also experimental, but the ultimate objective is a return to normal through a process that minimizes disruption as much as possible. Time will tell how successful the Fed is.

The bottom line? Growth and the Great Reversal are under way. It's the necessarily bumpy path to and through the next growth cycle, and there's a lot riding on the Fed to get it right.



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