The Finance Issue

With stories on how to stay clear of money laundering, and how to manage extras. Plus, look for our annual Education Supplement. All this and more!
Attention to Detail

See what Rick Lane, Director, Corporate Strategic Initiatives, City of St. Catharines says about working with Ball Construction by scanning this QR code, or go to: www.youtube.com/BallCon4Meridian Centre, St. Catharines

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We Can Be More Productive

The World Economic Forum recently released a report on the construction industry that I think is fascinating. In it, the authors argue that productivity gains in our industry have been slow to emerge – especially when compared to other industries. In some cases, they’ve actually declined.

Yet they see change. As more and more construction projects integrate digitization—and by this they mean sensors, mobile devices, new software apps and intelligent machines—that is supported by Building Information Modeling (BIM), the industry is on the cusp of reducing its project delivery costs by 20 percent while boosting completion time, product quality and overall safety.

That’s impressive. BIM’s already here, of course. But its application has been slow and uneven. The big GCs and trades are into it; the smaller and mid-size builders maybe don’t yet see the return on investment. Change is rarely smooth, of course. But I’d expect that the benefits of adopting and using BIM and all this other fantastic technology will soon out-


Always Be Learning

The speed of change seems to be accelerating daily. Being resilient stretches you and your company to become better. The race is on, and you either have to fold up your tent and go home, or get on with it. We all have choices. We can cling to our old ways of doing business and risk falling behind or learn to adapt and embrace change.

That isn’t always easy, but if you want to move your firm ahead, educate your staff, and find new opportunities and alternative ways of doing business, then call me. GVCA has a wide variety of education and programs to support you and your staff. Our HR in construction is our newest group to take off, and it is seeing great success. HR is one of the pillars in the foundation of your firm.

So too are safety, leadership and customer service. We are here for you on all levels. Whether you need a site super to polish up communication skills, or administrative staff updated on contract language, a PM needing help to learn how to navigate through to a successful project, or your business development staff learning how to respond to RFPs, we have you covered.
Sixo Midtown
Wellington and King Streets
Kitchener, ON
Value: $450 million
Project details:
The location of Sixo puts you right across the street from Google Canada’s new development office. It is steps from the region’s future transit hub and the gateway to downtown Kitchener, where you’ll enjoy countless restaurants, unique shops and live music. Right on the new Ion Rapid transit route, Sixo is only a short transit ride from uptown Waterloo and world-renowned universities. The development includes paths so people can easily walk or cycle from Walter Street, through the Sixo site and connect to the transit hub and downtown.
The design includes a large outdoor area with fountains, patios and an outdoor amphitheater. As the largest high-rise community in Kitchener-Waterloo, the Sixo Midtown would add 227,000 square feet of office space, 69,000 square feet of commercial space and 990 residential units.
Zehr Group estimates it will take about a year to work through planning and other approvals, with construction starting possibly as early as June 2018. It would be another two years at least before the first occupants can move in, and the project will be completed in phases over the next several years.
The development by Zehr Group would transform the streetscape in that section of King Street. It will put up five buildings clustered around the 1897 Kaufman mansion, including a 14-storey apartment, three condo towers ranging from 26 to 30 storeys, and a mid-rise office/retail building that would add almost 1,000 residential units and one million square feet of new buildings to a site just outside Kitchener’s downtown.
Next update: September 2017

Crystal Ball Report: Unmatched Construction Intelligence

GVCA’s Crystal Ball Report is a unique and insightful member service. Updated daily by GVCA staff, the report tracks planned projects during the pre-bidding phases, following them from concept to design to prequalification, construction and completion.

Free e-Marketing Seminar

Are you looking to attract more business?
Would you like to win more contracts from your customers?

You’ll learn about:
• Getting more qualified visitors to your website
• Enhancing your website to capture customers
• Using email and social media to nurture leads

Date: Wednesday August 23, 2017
Place: GVCA Training Room, GVCA Headquarters, 25 Sheldon Drive, Cambridge
Agenda:
8:00-8:30              Registration & Breakfast
8:30-10:00             Live Seminar with Mike Jennings
10:00-10:30            Q&A Workshop*

This fast paced and information packed session will show you real world examples from GVCA members and give you the chance to get those nagging questions about CASL, Google and Video answered.
Presented By: Mike Jennings is the founder and president of MoreSALES.ca and brings 30 years of experience to guide and support the GVCA and its members. His expertise for e-marketing is surpassed only by his need to serve others through his efforts in Rotary, Special Olympics and coaching sports.

*For those who have time we will answer your questions and offer solutions to your specific challenges

Go to www.moresales.ca/gvca to register or call 519-620-8127 for more information
The bill also takes aim at expanding family leaves and, critically for construction, making certain that workers aren’t misclassified as independent contractors. Although the bill may affect construction employers in a number of ways, this last point may be particularly troublesome.

During the public consultations that informed the bill, special advisors Michael Mitchell and John Murray heard that about 5.25 million Ontario workers are classified as self-employed. The Ministry of Labour says it believes a significant number of those people are wrongly classified. And although there are many valid reasons why a worker may be classified as independent—or may wish to be classified as independent—the act specifically targets those worker-employer relationships.

That may be problematic in construction, which often relies on independent contractors.

More generally, Ian Cunningham, president of the Council of Ontario Construction Associations, says he’s concerned with the increased level of enforcement that the government has promised once the bill becomes law.

"The highest priorities of small businesses are generating revenues and managing costs," he told the Daily Commercial News. "Sometimes this takes them out of strict compliance with the Employment Standards Act (ESA). If the bill is passed, the government has indicated that it intends to hire up to 175 new ESA enforcement officers. I’m pleased that the government has also indicated that ESA enforcement officers will take an education first approach to inform employers about their obligations under the new regulations."

Maybe it’s time to consider how Bill 148 will affect your business.
Giving Written Notice of Lien

Subcontractors often ask if there is a cheap alternative to registering a claim for lien. While not an alternative per se, giving written notice of lien is an inexpensive preliminary step that a creditor can use to put pressure on a debtor to pay their account.

**DISRUPTING THE FLOW OF FUNDS**

Giving written notice of lien to a mortgagee or an owner disrupts the flow of funds on a project.

A building mortgagee who receives a written notice of lien will not advance further funds to the owner until the notice is withdrawn or declared not binding by a court order. If a mortgagee advances funds to an owner after receiving written notice of lien, it will lose priority with respect to the funds advanced with respect to any lien claim registered against title. Receipt of written notice of lien by an owner also triggers an additional holdback obligation. The Construction Lien Act provides that an owner who receives written notice of lien must hold back from the contractor, over and above the 10 percent basic holdback, an additional amount equal to the amount claimed in the written notice of lien.

Ideally, giving written notice of lien results in a quick resolution, so there is no need to register a claim for lien. If a quick resolution does not occur, then a subcontractor should register a claim for lien before its lien rights expire.

**A SHORT LETTER WILL DO**

Giving written notice of lien is easy. There is no specific form. Written notice of lien can be given to the mortgagee and/or the owner in the form of a letter that (1) identifies the project, (2) identifies the creditor as a supplier to the project, (3) identifies the delinquent payor and the amount owing, and (4) makes a clear statement that the creditor is claiming a lien and will register it unless payment is made. A written notice of lien may be withdrawn by giving a further letter to the mortgagee and/or owner withdrawing the notice of lien.

**APPLY THE OBAMA DOCTRINE**

Don’t do stupid stuff! Just because you can disrupt the flow of funds on a project does not mean that it is a good idea. Giving written notice of lien can be a double-edged sword. It may damage a hard earned business relationship. Disrupting the flow of funds may make it more difficult for a debtor to pay you. In our view, giving written notice of lien is only advisable in circumstances where you intend to file a claim for lien anyway.

Ted Dreyer and Chris Clemmer are construction lawyers at Madorin, Snyder LLP in Kitchener. They can be reached at 519-744-4491. This article should not be relied on as legal advice.
Leveraging Information Technology to Improve Productivity

A recent industry survey by McKinsey identified productivity in the construction industry as underperforming, with a 1-percent per year growth over the past two decades, compared to growth of 2.8 percent in the world economy and 3.6 percent in manufacturing.

Part of the reason for the industry’s poor performance is the slow adoption of new technology. Among the 27 industries surveyed by McKinsey, construction scored the lowest in digitization, with minimal investment in technology and use of computers in operations. The lack of information technology investment has resulted in productivity deficits and rising costs due to:

- **Disorganization**: lags in decision-making and procurement processes with an inability to scale.
- **Miscommunication**: inconsistent reporting leads to a lack of common understanding between contractors and owners.
- **Poorly calibrated performance measurement**: issues are unresolved and accountability is nebulous.

**Decreasing the cost of investment**

**Informed decisions based on readily available data.**

Project sites generate vast amounts of data, but little of this is captured, let alone measured. The Internet of Things, sensors and wireless technologies that connect devices can generate easily analyzed data to improve efficiency and minimize risk.

**Reduced maintenance costs of software and hardware.**

Using pricing models and cloud-based technology to limit upfront investment and allow for scaling.

**Collaboration software to improve communication.**

Digital-collaboration and field-mobility solutions can integrate project planning, engineering, and budgeting for large projects.

**Digitized document control for compliance requirements.**

The construction industry’s reliance on paper is a contributing factor to its poor productivity relative to manufacturing.
There are two keys to adoption of new technology in the construction industry:

- **INNOVATIONS** that decrease the cost of investment; and
- **A COMPREHENSIVE UNDERSTANDING** of how the technology can be used to improve productivity.

**Understanding new technology**

The wide variety of information technology is often beyond the capacity of traditional IT departments. To solve this problem, many companies are turning to IT consultants, who can deliver value through IT expertise, and allow your company to focus on its core competencies.

The adoption of new technology has a momentum of its own. As the number of users reaches a critical mass, new technology leads to added productivity gains through interoperability and continuous improvement processes.

The best approach to technological implementation is a return-on-investment orientation. Work with a consultant to measure how new technology can create positive effects on cost, schedules, and risk mitigation to build a compelling case for adoption.

**SAVE THE DATE!**

Canadian Construction Innovations’ annual conference, November 1–3. Learn more at www.ccinnovations.ca.

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This article was written by Patrick Farrer of Pund-IT Inc. He can be reached at pfarrer@pund-it.ca and 519-342-4004.

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**Get it done right the first time!**

The success of your project hinges on robust design and the dependability and accountability of your subcontractors and your crew. Your profitability depends on keeping costs down. Why would you approach your personal investment portfolio any differently? Integrity is the foundation of The RaeLipskie Partnership and the cornerstone of our relationships with our clients. For over 25 years we have been providing private wealth management solutions for individuals, corporations and charities. Our portfolios of stocks and bonds are crafted to your specific needs to achieve strength and reinforce your long-term objectives. Please call or visit us online to learn how we can perform for you.

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Diversify to Reduce your Fears

With recent political uncertainty south of the border causing some jitters in the market, many investors sold en masse believing that scandals surrounding politics are a reason to exit stocks.

In short, they are not.

It is important to remember that political uncertainty is largely the norm – not the exception. And it is certainly not a reason to exit stocks. Rather, if you are worried about the ramifications of controversy, scandal, or rumors, whether they be in Ottawa, Washington DC, Europe, or anywhere, your best bet is not to exit stocks, but to invest in a globally diversified portfolio.

Investing globally is the biggest benefit of diversification. It makes political risk in any one country largely insignificant. As an illustration, while US stocks recently dropped due to impeachment concerns, non-US stocks rose. In fact, non-US stocks are outperforming the US for the year to date. As long as you subscribe to the notion that global growth is an inevitability (and demographics support this thesis), investing globally allows you to benefit from happier trends in different parts of the world. Indeed, while political uncertainty is rising in the US, it is largely falling in other parts of the world. The recent Dutch election thwarted concerns of the growth of populism and the results of the French election continued this trend. Combining this with evidence suggesting that the German election this September is likely to extend the status quo is further evidence that falling uncertainty (which has been great for European stocks) is likely to continue.

The theme of investing globally isn’t solely political. When it comes to investing, a certain degree of uncertainty is inevitable. Investing globally allows you to decrease the overall uncertainty and participate in global growth. Concerned about a flattening yield curve in North America? Well, Europe’s yield curve is steepening. Worried about rising price-to-earnings ratios in Canada? Well, many emerging market price-to-earnings ratios are far lower.

Political uncertainty is par for the course. While US stocks have been especially volatile lately, these large corporations with high barriers to entry will do well and are a necessary component to any well diversified portfolio. Owning a significant portion of non-North American stocks alongside Canada and the United States is not only the best way to limit your risk but also to capitalize on opportunities around the globe.

It’s a big world out there.
Are you invested accordingly?

This article was written by Dave Brune, CFA – Portfolio Manager with The RaeLipskie Partnership, Private Wealth Management – Waterloo & Burlington ON. He can be reached at 519-578-6849 and DaveB@raelipskie.com.

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The Value of Education in Construction

Construction is an ever evolving industry with many trends impacting the methods with which buildings are built and strategies upon which construction companies are managed. Construction professionals are charged with understanding these industry trends and converting emerging challenges into capitalized opportunities.

Online Education

Through its partnership with organizations across the construction industry, GVCA offers a suite of professional E-Learning courses. Each has been created to meet the particular needs of construction estimators, superintendents and project managers, all of whom deal regularly with employees, subtrades, owners, clients and professionals. GVCA’s E-Learning courses can be completed anytime, anywhere. They are self-paced, with no time limits.

Check out a list of our Construction E-Learning courses on our website www.gvca.org.

- Communication, Negotiation, Conflict Resolution (2 Gold Seal Credits)
- Confined Spaces Safety Awareness (1 Gold Seal Credit)
- Construction Law (2 Gold Seal Credits)
- Construction Project Management (3 Gold Seal Credits)
- First Level Supervisor Training Program (5 Gold Seal Credits)
- Introduction to Building Information Modeling (1 Gold Seal Credit)
- Introduction to Construction Estimating (2 Gold Seal Credits)
- National Construction Safety Awareness Training (2 Gold Seal Credits)
- Construction Industry Ethics (2 Gold Seal Credits)
Current Course Offerings

GVCA prides itself on always delivering the latest in course programming for members. Our regular course offerings are designed to help you be more effective in your core business, whether through building and developing key software skills, or learning more about our at-times complex industry.

Microsoft Project for Construction
Course Date: October 24th & 25th
Available Gold Seal credits: 2
This two-day, hands-on workshop will give you a comprehensive understanding of Microsoft Project using a practical approach to project management. Learn how to plan, monitor and schedule projects using resources such as people, equipment, time and money. Participate in various hands-on exercises, ranging in complexity and type. Develop skills to track and analyze projects with a better understanding of the schedule and the impact of changes.

Topics include:
• Project planning
• Financial reports
• Manage costs and cash flow
• Project success and exit strategies
• PERT analysis
• Handling multiple projects
• Tracking Gantt view
• Milestones

Who should attend:
Project managers, project coordinators, project administrators, supervisors and anyone new to Microsoft Project or those who want to take their Microsoft Project knowledge to the next level.

Advanced Microsoft Project for Construction
Course Date: August 29th & 30th
Available Gold Seal credits: 2
If you’ve ever had to submit documentation at the close of a project for billing purposes or claims, you know how challenging it can be. Using advanced Microsoft Project features, you’ll learn how to create as-built drawings as you work.

This workshop will also show you how to enhance communication between managers, site workers and subcontractors; maintain meticulous records; anticipate the effects of changes; communicate these changes to the construction team; and produce information-rich reports and graphs.

Topics include:
• Best practices for planning and tracking projects, managing resources and managing subcontractors
• Change management and change-order documentation
• Create look-ahead reports and checklists for site supervisors to facilitate better communication and project management
• Understand early warning systems in costing reports to identify problems early and get the project back on track
• Standardize project plans to facilitate communication and make project plans, reports and Gantt Charts easier to read

Who should attend:
Anyone who wants to develop a broader understanding of our industry.

Construction 101
Course Date: TBD
Available Gold Seal credits: 2
Construction is a complex industry. It includes many stakeholders: owners, consultants, contractors, sub-contractors and suppliers, as well as those firms that offer services to the construction industry.

The Canadian Construction Association’s Construction 101 course gives participants an overview of how our industry works, and the various challenges faced by people and companies in its discrete sectors.

Topics include:
• Construction documents
• Industry terminology
• Contract tendering, bidding and award
• Contract format
• Legal matters
• Risk management
• Project management and administration

Who should attend:
Anyone who wants to develop a broader understanding of our industry.

Construction 201: Project Management
Course Date: TBD
Available Gold Seal credits: 5
This course builds on the principles taught in Construction 101. This more advanced program begins at ground zero: the moment a project is won.

Through an in-depth review of contractual roles and responsibilities, participants can set realistic expectations of commitments and understand team members’ different perspectives. Participants learn negotiation skills that are critical to supporting decision making, and how to identify “go” or “no-go” factors.

GVCA offers a variety of computer training courses. Please visit www.gvca.org for more information on Excel, In from the site, Microsoft Project, OneNote and more!
EDUCATION IN CONSTRUCTION

What kind of writer you are –
What plain language is, why it matters
How to be brief
How to write to win business
How to position your company to re-

Topics include:
- Project management types and the stakeholder interests
- Scopes of work, extras, errors and omissions
- Working with architects and engineers
- Health and safety management programs and requirements
- Evaluating risk and assessing alternatives
- Cost control monitoring
- Introduction to interest based negotiation

Who should attend:
Project managers, project coordinators, and anyone else involved in the day-to-day management of a construction project.

Writing in Construction – BackDRAFT Bootcamp

Course Date: October 17th & 18th
Available Gold Seal credits: 2

Our BackDRAFT bootcamp for writing in construction is not a course for understanding the rules of spelling or grammar. It’s a program that gives participants the skills they need to increase the value of writing as a business asset.

Delivered as two intense, day-long sessions, our curriculum takes teams through an intensive review of diction, punctuation, grammar, syntax, logic and rhetoric. Each element of the course—from exercises and tests to lectures and animated debates—is designed to focus people’s attention on the practical issues of advanced writing, building confidence while rekindling a respect for writing as a discipline.

Topics include:
- How to write an RFP response
- How to position your company to reveal its true differentiators
- How to write to win business
- How to be brief
- What plain language is, why it matters, and how to use it
- What kind of writer you are – and why that matters

What tone and style mean in language
Seven devices you can use to make your writing more persuasive
Each session is guided by a full-colour binder of writer’s resources—a work-
book that allows each participant to discover advanced writing theory and to practice each new skill.

Who should attend:
Business development staff, senior management and marketing personnel.

Social Networking for Construction

Course Date: August 15th
Course Date: November 15th
Available Gold Seal credits: 1

Most work, contracts and jobs that you win come from your contacts. Social Networking is a powerful way to grow your network of contacts. LinkedIn has become one of the first places businesses go to verify credentials. Facebook and Twitter boast over 400 million users in North America. This social phenomenon has become the premier way to keep your business in front of your contacts. Social Networking is a set of new tools to get your brand and your message out. It is the easiest and most effective method to improve your visibility.

Our workshop will show you how to use these tools to increase your business. We cover industry best practices in utilizing accounts in Facebook, Pinterest, Twitter and LinkedIn. We will look at case studies of construction companies and how they have used social networking tools to create brand awareness, promote themselves as experts in their fields, and stay in contact with clients.

- Stay in contact with Facebook
- Getting your message out with Twitter
- Use Pinterest to advertise your company successes
- Get connected with LinkedIn
- Blogs and Forums promote you as an expert
- Other applications and tools

Topics include:
- How Social Networking is changing the face of business
- LinkedIn for Business
- Building a Search Engine Optimized Profile
- Soliciting Recommendations and Introductions
- Facebook for Business
- Building a Profile for Business
- Etiquette & Branding
- Integration Applications (Blogs, Twitter, etc.)

Who should attend:
Business development personnel and marketing personnel.

Building and Managing Customer Relationships: The Superintendent’s Role

Course Date: September 21st
Available Gold Seal credits: 1

As a superintendent, you deal with many different types of customers: the client and their representatives, engineers, architects, municipal officials, trades, sub-trades, general contractors, and your own team members. It is your job to understand and manage all of the different needs and expectations and lead the project to success.

During this information-packed training session, you will explore the key competencies of customer service excellence and techniques to handle difficult situations with customers and reduce stress on the construction site.

Topics include:
- Identifying the benefits of delivering outstanding customer service
- Understanding the needs and expectations of different customers
- Recognizing barriers to the delivery of outstanding customer service
- Determining satisfaction levels and taking corrective action when needed
- Dealing with angry or upset customers
- Developing culture of service excellence

Who should attend:
Construction superintendents.

GVCA Courses continued on page 18
Author Peter Senge suggested that a learning culture is perhaps the most important asset a company can build. In the construction trades sometimes it is easy to focus on building tangible items when in fact it may be the intangible that supports business growth and development.

The best companies know that people are the only true sustainable competitive edge and that knowledge and skills development are critical to remaining competitive. At Conestoga College we understand this, and we work closely with employers and industry leaders to ensure that our education and training programs are tailored to meet today’s labour force needs. We also want to make sure that the graduates of our construction trades programs are prepared for success and ready to make a difference in your company.

Our construction programs include one and two year certification in electrical, brick and stone, carpentry, renovation, powerline, heavy equipment operation, plumbing, and heating, refrigeration and air conditioning and construction management. These are excellent programs from which to recruit for new hires.

Conestoga is also one of the largest deliverers of apprenticeship programs with theoretical and practical training in many construction trades. Training apprentices is another way to ensure that you have a skilled workforce. There are also tax incentives and completion grants available for employers to offset the cost of training apprentices.

Contact Conestoga College to see how we can help with your hiring and training needs.

Send your apprentices for training or recruit from our full-time construction programs.

www.conestogac.on.ca/trades
EDUCATION IN CONSTRUCTION

Your Partner in Training

Do your workers have the training they need to stay safe, skilled, and certified?

CLAC Training offers courses that will keep your workforce safe and productive, and in compliance with ever-changing legislative requirements.

Our top in-class and hands-on courses include Working at Heights (MO-L approved provider), elevating work platforms, standard first aid/CPR, and many more.

Our many online courses, including WHMIS 2015 and CSTS, allow workers to stay up-to-date in their training wherever they are in Canada.

We’re proud to support and promote the skilled trades through our partnership with the Pre-Apprenticeship Training Institute. Students can pursue a career in the construction trades with CLAC and PAT Institute in CLAC’s Cambridge Member Centre.

We are a union for today with progressive labour relations, interest-based problem solving, mutual gains bargaining, modern training, multi-platform delivery with public accessibility.

Visit CLAC.ca

GET CUTTING-EDGE SKILLS AND SAFETY TRAINING

As a union that works to build better workplaces and better lives for all Canadians, we open our training courses to the public.

Our state-of-the-art centre in Cambridge features expanded training facilities to meet the needs of the construction industry in southwestern Ontario.

Sign up today! Visit clac.ca/training.

Visit CLAC’s member centre and training facility in Cambridge.

clac.ca
Training needs to address not only the specific needs of experienced tradespeople, but also, those just beginning their careers in the construction trades.

“Employers know that when they call us to fill a position on a crew, it will be with someone who is highly competent and trained with safety in mind,” says Mike Ropp, Training Director at LIUNA Local 1059 Training Centre. “That confidence is a result of our commitment to developing a training program focused on results.”

Instructor Josh Stewart says the LIUNA Local 1059 Training Centre allows apprentices to learn how to work safely using the latest technology, tools and materials. “It’s a controlled environment our members can really learn from. You can’t duplicate the job site any closer,” says Stewart. “There is an indoor sandbox to perform excavations, scaffolding to practice working at heights, overhead cranes and even a sewer and water-main system to learn how to work in confined spaces. It’s a great place to learn the safest way to do things.”

Triston Gagnon, a graduate of the Apprenticeship program agrees. “The instructors have so much experience. They teach you tips you can’t find in the textbooks to make it easier for yourself and make it safer for you and others around you.”

Members get a comprehensive level of safety training and certification so they are not only valuable in the labour market, but return home safely at the end of each work day.

LiUNA Local 1059 members are ready to work efficiently on day one. Each year, experienced trainers at the LIUNA Local 1059 Training Centre and the mobile classroom instruct hundreds of apprentices and journeypersons to work in more than 15 different sectors and 40 different trades. Training programs that meet the specific needs of today’s employees, delivered in conditions that replicate the job site, result in outstanding value for employers.

To learn more about the programs offered at LIUNA Local 1059, visit liunalocal1059.com or call 519-455-5299.
The Centre for Construction and Engineering Technologies (CCET) at George Brown College offers training that provides the technical expertise and the people skills critical to being successful. Field placements and research projects provide an applied learning experience. We work with industry partners to ensure our programs match current standards and practices used in the field today.

The Angelo DelZotto School of Construction Management is the province’s only four-year degree program in construction management. This program is designed to respond to emerging trends in construction management in Ontario. In the increasingly specialized and complex construction industry, successfully managing a construction project now requires a well-balanced education in construction science as well as practical business and management methods.

“In order to provide the necessary leadership, we need to staff our projects with construction professionals. Therefore, we believe the four-year degree program in Construction Management at George Brown College is an important component to ensure our continual requirement for construction professionals will be met.” Christopher Rick, PCL Constructors, Canada Inc.

As companies in Ontario’s construction industry increasingly use building information modeling (BIM) technology to plan new projects, they are finding the right talent and resources to get the work done at George Brown College.

BIM is a process that involves using specialized software to generate detailed digital representations, often in 3D, of the physical and functional characteristics of any space. It allows for better decision making about the construction process, which greatly reduce errors and improves efficiency.

BIM is increasingly being used by developers worldwide to more effectively plan, design, build, operate and maintain various physical infrastructures.

Learn more at georgebrown.ca/construction

Our graduates are working hard to build our community.

With several programs to choose from including Ontario’s only Honours Bachelor’s degree in construction management, our hands-on learning produces exceptional graduates with the job-ready skills employers want.

Learn how you can support our students or join one of our programs!

georgebrown.ca/construction
Education Series

Some concepts are too involved to be unpacked in just one session. That’s why GVCA has created a series of course programs that explore key business issues in detail. We have programs on everything from leadership techniques to claims management – and offer courses on each that dive deep into the nuances of these complex subjects.

Construction Best Practices: Foundations of Employee Management

Available Gold Seal credits: 9 (management level), 10 (executive level)

What’s the best way to make your business more profitable, more efficient and more successful? By making your team the best it can be and making yourself the best leader you can be.

The GVCA’s Construction Best Practices: Foundations of Employee Management certificate program helps you learn key employee-management skills, and helps you expand your own leadership toolbox. The program is divided into seven modules, and offered in two formats. The five-module program is designed for company managers. Those who complete it earn nine Gold Seal credits. The seven-module program is aimed at executives, and participants can earn 10 Gold Seal credits.

Course Date: September 26th

- Module 1: Successful WSIB Outcomes for Construction Workplace Injury Claims
- Module 2: Taking Care of ‘Bad Seeds’ in Construction

Course Date: October 24th

- Module 3: Handling Workplace Violence and Harassment in Construction

Course Dates: TBA

- Module 4: Mental Health in your Construction Workplace
- Module 5: Need to Know Basics When Taking on Supervisory Roles
- Module 6: Impact of your Attitude on Employees – How to Improve Your Bottom Line (executive-level program only)
- Module 7: Creating Successful Employee Engagement (executive-level program only)

Who should attend:
Supervisors, employers, owners, managers, executives and health and safety coordinators.

Construction Financial Series

Course Date: TBD

Available Gold Seal credits 1

The GVCA’s Construction Financial Series gives participants greater insight into their companies’ balance sheets. Participants learn about basic budgeting techniques (such as good and bad budget habits), how to make sense of financial information (such as statements and reports), how to cost a job properly (including direct and indirect costs, and supervisory costs), and how to manage changes and extras (by creating paper trails that are more likely to lead to paycheques).

Who should attend:
Company owners, executives and managers, and anyone responsible for financial decision making and reporting.

COR Essentials

Course Date: November 15th

This half-day program provides an introduction to the four phases of the Certificate of Recognition (COR™) Audit.

1. Prepare
2. Perform
3. Summarize
4. Submit
EDUCATION IN CONSTRUCTION

It is designed to ensure that an organization’s COR™ Senior Management Representative and the COR™ Internal Auditor have the knowledge and resources necessary to successfully plan and begin implementation of the COR™ program.

It provides information on the program requirements such as audit team responsibilities, audit criteria, and project planning/scheduling.

This program is one of the four mandatory training requirements for the COR™ program. A representative from senior management and one permanent full-time employee designated by the employer to act as the firm’s COR™ Internal Auditor must take this prescribed training program.

COR: Basic Auditing Principles
Course Date: November 16th

This 1-day program provides an introduction to the fundamentals of auditing and how to apply these principles while going through the Certificate of Recognition (COR™) Audit process. It focuses on auditing principles that are common to all organizational audits, while using material and examples specific to the COR™ Audit Tool and its elements.

This program is one of four mandatory training requirements for the Certificate of Recognition (COR™) program. It is specifically designed for the individual who has been designated by the employer to act as COR™ Internal Auditor and who will be performing the COR™ audit within the organization.

Participants must take Basic Auditing Principles before taking COR™ Internal Auditor. Since the program content is connected, this will provide the best opportunity to understand the COR™ requirements.

COR: Intro to Hazard and Risk Management
Course Date: November 27th

A successful Occupational Health and Safety Management System (OHSMS) minimizes the potential for injury or illness in the workplace. Effective and ongoing hazard and risk management is an important part of that system.

This program provides information and tools to assist those who are involved in developing or enhancing their organization’s hazard and risk management system. Through structured exercises and case studies, participants will be introduced to concepts, methods, and tools used to create, implement, evaluate, communicate, and maintain a successful hazard and risk management system.

This program would be of special interest to organizations that are becoming COR™ certified. You can put your hazard assessment process to the test and see how it measures up against the COR™ standard.

Program content:
• Occupational Health and Safety Management Systems
• Hazard and risk management models
• Hazard identification and risk assessment
• Controlling hazards
• Communicating and monitoring

Approved Working at Heights Training
Course Dates:

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<th>July 6th</th>
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As of April 1, 2015, construction workers who use travel restraint systems, fall restricting systems, fall arrest systems, safety nets, work belts or safety belts are required to complete a new Ministry of Labour-approved working at heights training program.

GVCA's Working at Heights Training Program has a modular format to allow for core theory training to be completed separately from practical training elements. There are two modules: basic theory and practical applications.

After successful completion of the course, participants will be able to explain their rights and responsibilities with regard to working at heights, work at heights safely and in compliance with regulatory requirements, and select, inspect and use industry-standard personal fall arrest equipment. They will also receive a three-year working at heights certification.

Blended eLearning
Standard First Aid with CPR & AED Skills Assessment Day
Course Date: November 23rd

The course has two components:
• A first aid theory “Online” Component
• A first aid practical classroom skills session Component

The on-line course covers all relevant theory the participant needs to complete before taking the practical training session. You must complete the On-Line Theory Based Session before you can participate in the Practical Training session held on November 23rd, 2017. We recommend that you aim to finish it at least a week before your practical training session.

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CONSTRUCTION

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Stubbe’s Precast was started in 1982 by Herb Stubbe, producing the first precast concrete hog feeders in Ontario.

After working for a short stint in the automotive industry, Herb’s son Andy became his father’s only employee in 1989. The real growth of the company began in 1996 when Stubbe’s decided to purchase a dry-cast agricultural slat machine. Agricultural slats are still a big part of Stubbe’s business today. The majority of their customers are located in Ontario, Vermont, New York and Michigan.

“In 2001, we got into the hollow-core business and in 2006 we developed our redimix division,” says Andy. “We now have 16 redimix trucks and a concrete pump that is really more for the local agricultural market.”

Stubbe’s started wall-panel production in 2008. In 2010, it added a rail terminal in Princeton where it ships cement powder to its plants and to other precast and ready-mix producers. Stubbe’s entered the total precast business in 2009, doubled the size of its Plant 2 in 2012, secured its own gravel reserves in 2012, and added a third plant for automated wall panel production in 2016.

“This vertical integration has given us a competitive edge,” says Andy. “We do our own design work, our own production and our own install. We are always looking for better, innovative ways to do things to be as cost effective as possible.”

All these developments have transformed Stubbe’s into an all-weather operation. By taking the work away from the job site and producing products in a plant under controlled conditions, the company can control costs and boost product quality.

“I think there is going to be a continued focus on building efficiencies, especially with the way energy costs are going and the increasing demands of the building codes,” says Andy. “I also think we’ll see more design build. Most of our jobs are not general tenders any more. We deal directly with the owners or their consultants. It has become more of a relationship business. Frankly I like this because you can actually be part of the design process from the get go and make the building more cost effective. This is definitely a win-win for everyone involved.”

Andy credits the company’s continued success to its excellent workforce. One of his biggest challenges is to maintain a one-to-one relationship with all of the company’s 320 employees.
Shelagh Rouse is an estimator with Frey Building Contractors. She’s been involved in construction most of her life and appreciates the opportunity LinC gives her to meet with like-minded people to build her network and develop her professional skills.

**Journal**: What was your first experience with construction?

**Rouse**: My family owned a renovation business, so I was involved from an early age. I started by helping out in the office, then working on site with my dad at age 12 until I began summer co-op placements in college.

**Journal**: What did you study in school?

**Rouse**: I studied Construction Engineering Technology at Conestoga College, and graduated in 2011.

**Journal**: How did you get your start in the business?

**Rouse**: I enjoyed working in my family’s business when I was younger, and I took a few technical courses in high school before moving on to college. I did co-op placements with two fantastic companies in town that gave me a great look at different parts of general contracting, estimating and project management. After I graduated, I joined Frey as an estimator. I’ve been fortunate to work on a wide variety of projects, from ICI to residential and equestrian. It’s been a great learning opportunity to experience different sectors of the industry.

**Journal**: Where do you hope to take your career?

**Rouse**: The next few years are really about building my knowledge and experience in the industry. Down the road, I would certainly like to take on a leadership role.

**Journal**: Why did you get involved with LinC?

**Rouse**: I really enjoy the relationship side of this business, and LinC is another tool that I can use to meet people outside my immediate group of contacts. It’s a chance to expand my personal base and make new connections. This industry is relatively small locally, so it’s important to make strong, lasting connections as paths often cross.

**Journal**: What’s the best reason for someone to get involved with LinC?

**Rouse**: I would say that the more relationships you have with people across this industry, the more we learn from each other and create efficiencies within our own jobs, it helps you excel at your specific role. There are fantastic people in this industry, and LinC gets you out there and meeting them. I’ve met different subtrades and consultants that I previously didn’t know, that have helped expand business opportunities.

**Journal**: How do you see LinC helping you grow your career?

**Rouse**: It’s helped me build positive relationships with our partner consultants, subtrades and even competing general contractors. I think having those relationships already in place assists in minimizing problems or being able to resolve them efficiently together, and LinC is a conduit for that.

Editor’s note: This article is the fifth in a series of question and answer sessions we held with members of the GVCA’s Leaders in Construction group. For more information, visit gvca.org.
It wasn’t exactly a surprise that the Ministry of the Attorney General introduced legislation to reform Ontario’s Construction Lien Act in May, but the news did come as welcome relief for anyone waiting on news about prompt payment legislation.

The act, which is largely based on the reforms proposed by expert reviewers Bruce Reynolds and Sharon Vogel, was introduced on May 31 and contains 98 of the 101 recommendations put forth by Reynolds and Vogel. Briefly, it centres on three broad subject areas: modernizing construction lien and holdback rules, introducing a prompt payment system and creating a new process to speed up dispute resolution.

Attorney General Yasir Naqvi hopes to see the legislation fast-tracked through Queen’s Park such that it’s passed this fall and in effect by the time the busy construction season begins in 2018.

“Construction is a critical, driving force of the economy, and we have been working hard to make sure this sector has the tools it needs to continue to thrive and prosper,” he said. “These proposed changes will modernize our laws to reflect the needs of workers and businesses, and encourage job growth and investment.”

Those that support prompt payment and those that say that changes to the province’s lien legislation were long overdue were delighted to see the legislation introduced.

“We are happy to see that the government is doing the right thing to solve this problem,” said Ron Johnson, director of Prompt Payment Ontario, a coalition of trade and general contractors that have lobbied hard for prompt payment rules. “We are hopeful that the government will stay true to its commitment and pass this important legislation in the fall of 2017.”

No big surprises
Ted Dreyer, a GVCA board member and a legal expert who worked on the Council of Ontario Construction Association’s official submission and response to the Reynolds/Vogel commission, says that but for two omissions, there’s not a lot in the way of news or surprises in the legislation.

The first, he says, is the right to contract out of a general lien. The Reynolds report recommended the province do away with this right, but that provision has been maintained in the new act.

The other is the capacity to register a lien against the common elements of a condominium building. The Reynolds report recommended single PINs be created for condominium buildings’ common elements so that roofers, for example, wishing to lien against an unpaid roofing job could register their lien against just one PIN rather than all units in the development.
“The bill is more or less similar to the vision set out by Reynolds and Vogel in their report,” says Dryer. “There are exceptions, but on balance the industry will be pleased.”

He adds that the industry should be encouraged by the fact that the Attorney General moved swiftly to introduce draft legislation, and that the issue of lien act reform has the broad support of all three Ontario political parties.

“There was no electoral advantage to getting this bill drafted and introduced as soon as the Attorney General did, which tells me it’s an important item for the government,” he adds. “It’s also a much more eloquent and more nuanced solution than Bill 69, which died on the vine in 2011.”

Updating the CLA: some highlights

New construction lien and holdback rules

- Extending timelines for contractors and subcontractors to file liens and start court actions from 90 days to 150 days to allow for more time to resolve disputes outside court.
- Requiring holdbacks to be paid once the timeline to file liens has passed.
- Requiring contractors and subcontractors to follow specific bookkeeping requirements to protect subcontractors in the event of bankruptcy.
- Requiring surety bonding on public sector projects above a certain amount to protect subcontractors and workers if the general contractor files for bankruptcy.

- Providing for the referral of construction lien claims under $25,000 to the small claims court.

A prompt payment system

Under the proposed changes, the owner and general contractor on a project would be able to agree to a deadline to submit an invoice. If they do not agree, they would be required to submit invoices on a monthly basis.

Once they receive an invoice, owners would be required to pay general contractors within 28 days. After they receive payment, general contractors would have to pay subcontractors within seven days. Subcontractors would be required to pay other subcontractors within seven days of receiving payment, and so on.
In cases where there is a dispute about the amount owed or the quality of the work, owners would be permitted to deliver a notice of non-payment within 14 days of receiving the invoice. Successive payers would be permitted to deliver a notice of non-payment within seven days. Any undisputed amounts must be paid.

Contractors and subcontractors would receive mandatory interest on late payments. They would also be able to suspend work on a project if the matter is heard by an adjudicator and the payer does not comply with the decision.

**A new dispute resolution mechanism**

A new interim adjudication system would prevent payment disputes from delaying work on construction projects, speed up the payment process and reduce time and money spent on litigation.

Adjudication would provide an interim binding decision in approximately six weeks. It can be used to resolve payment disputes that could result in project delay, including disputes about the valuation of work, payments and set-offs against amounts due under a contract. Adjudications would be informal and inquisitorial. Parties would be free to establish a process by contract or use the default process, which would be available in regulations.

Adjudicator’s decisions could not be appealed, but the decision could be challenged on the grounds of adjudicator bias or a decision on a matter other than the matter referred. If the parties are satisfied with the adjudicator’s decision, they may agree to treat the decision as final. Whether or not the person owing money complies with the adjudication, the parties may continue to pursue ordinary legal remedies to address the dispute. Time limits for preserving a lien would be extended to encourage parties to adjudicate first.

The adjudicators would be experts who have had extensive experience in the construction industry and who have experience or training in dispute resolution.
Penalties around Canada’s AML regulations are mounting. Canada’s financial intelligence unit, the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) has levied penalties of more than $3.5 million against 78 entities, including 12 real-estate sector entities since 2009.

Unlike real estate developers and brokers, which must have AML programs in place, contractors aren’t considered reporting entities under the law. However, since you deal with developers and brokers on a daily basis, you could easily come into contact with suspicious activities. Some contractors may deal with cash payments from their clients, a fact that leaves them open to scrutiny by other reporting entities, such as banks.

Financial institutions monitor their clients’ transactions as part of complying with their AML programs. If transactions appear unusual, they may find it appropriate to report the activity to FINTRAC—even before they talk to you. In fact, the bank is not allowed to advise you of its report. This is called “tipping”, and it’s illegal.

Money laundering 101
Education is the key to avoiding money-laundering schemes. Money laundering occurs when dirty money (i.e., money produced through criminal activity) is “cleaned” through seemingly legitimate operations. Laundering makes the criminal origins of the cash hard to trace.

There are three main stages in the money laundering process:
• placement, which is when cash placed in the legitimate financial system
• layering, which are transactions designed to obscure the audit trail
• integration, which is the use of proceeds to buy alternative assets like real estate

As a contractor, you could be involved in a money laundering scheme in a number of ways—but accepting cash payments is the most common.

Red flags to watch for
There are a number of signs a real-estate transaction could be involved in a money-laundering scheme. Be suspicious if:
• A client sells a property below the market value with an additional under-the-table payment.
• A client buys a property without inspecting it.
• The client offers to pay a large invoice with cash on a property for which property management services are provided.
• The client buys back a property that he or she recently sold.
• You notice frequent change of ownership of same property, particularly between related or acquainted parties.

Dangers of cash
In 2014, Manulife Bank of Canada was fined $1.2 million for five infractions under Canada’s anti-money laundering laws. Among these were instances of failing to report deposits of $10,000 or more in cash. A bank or credit union must file a Large Cash Transaction Report with FINTRAC each time it receives $10,000 or more from or on behalf a customer. This includes multiple deposits each less than $10,000 that total $10,000 or more in a 24-hour period.

If you regularly take large amounts of cash to the bank, you may need to provide the bank with information to explain the cash and calm the financial institution’s fears. If a bank or credit union has identified the activity as unusual or suspects that the transaction may be linked to criminal activity or terrorist financing, they are required to file a suspicious transaction report.

Simple steps to staying clear
The simplest way to avoid becoming unwittingly involved in money laundering schemes is to be paid by cheque, credit card, electronic fund transfer or Interac transfer. Don’t offer incentives to the client to pay cash. Create a paper trail, similar to that of a reporting entity and work with the banks to have your business added to online payment platforms.

Voluntary disclosures
FINTRAC does allow for voluntary disclosures to be made by the public. If you suspect that a client is involved in activity such as money laundering or terrorist financing, you can report anonymously through the FINTRAC website.

For more information, contact Hayley Howe, MNP Investigative & Forensic Services, at hayley.howe@mnp.ca
Beat the Change-Management BEAST

Veteran construction business consultant provides must-dos for contractors looking to save costs and reduce confusion when it comes to changes and extras.

Changes and extras are a fact of life in construction. And they’re a major source of strife. While it’s inevitable that parts of the project—the schedule, the scope, the specs and many others—will shift as the job unfolds, these amendments need not be as problematic as they can sometimes become.

Keith Martin, principal at business advisory services firm H&M Advisors, recently conducted a half-day GVCA seminar on this stressful topic. In an interview after the session, he provided his top-three must-dos for trade contractors who want to avoid costs and confusion when it comes to managing extras and changes.

Get changes in writing
Martin points out that in construction, people often get the idea that if they’re asked to put something in writing, they’re not trusted. But he says you can’t afford to think that way. By getting change requests and approval in writing, you guard against confusion, because once the request and approvals are documented, there should be little argument between your business and the owner or contractor as to the work required. Besides, Martin pointed out, CCDC contracts anticipate that change directives must be in writing.

“Tough time recognizing changes and extras as the project unfolds,” Martin said. “I remember we did a project to replace three pieces of equipment,” Martin said. “Only problem is, there were four of those pieces in the room and nobody told the foreman he was replacing just three. So he did all four.” The trade contractor could have avoided the costs associated with that mistake if he or she had verified the scope in the beginning. Have a turnover meeting from the estimator to the project manager, Martin said; that’s one of the best ways to make sure everyone’s on the same page when it comes to scope. “It’s absolutely critical that the project manager understands the scope of work from the estimate or estimator.”

Document your costs as you go
Usually, it’s much more difficult to try and figure out how much you spent on labour, material and equipment after you have completed a change. Martin highly recommends documenting that information as you work on the project. “So that at any point in time you can say, ‘We spent $50,000 on this change. Here’s our proof.’ ”

Understand the scope of work
That advice—understand the scope of work—might seem ridiculously basic. But believe it or not, many a trade contractor fails to do it. Martin said you should always begin by understanding the scope. Otherwise, you could have a tough time recognizing changes and extras as the project unfolds.

“I remember we did a project to replace three pieces of equipment,” Martin said. “Only problem is, there were four of those pieces in the room and nobody told the foreman he was replacing just three. So he did all four.” The trade contractor could have avoided the costs associated with that mistake if he or she had verified the scope in the beginning. Have a turnover meeting from the estimator to the project manager, Martin said; that’s one of the best ways to make sure everyone’s on the same page when it comes to scope. “It’s absolutely critical that the project manager understands the scope of work from the estimate or estimator.”

Martin often provides this sort of advice—tips to help companies better manage changes and extras. “It’s a hot topic because it’s a crucial source of aggravation and poor profitability that haunts our industry,” he said. “Unless you bid or execute poorly, we don’t generally lose money on a contract. It’s only when you perform work that’s beyond your scope—either because you don’t know the scope or you’ve been asked to extend the scope—that’s when you get into trouble.”

Martin’s change-management seminar, hosted by the GVCA, was much more extensive than this article suggests. The seminar was also just one topic in a complete three-part series. The other two topics were understanding financials and job costing. Watch the association’s events calendar for sessions that could prove helpful for your organization.
The contractor’s comeback-line cheat sheet

As a tradesperson, you’ve probably had to deal with problematic change requests – arguments with a general contractor or an owner who doesn’t want to pay, for example, perhaps because they don’t necessarily believe the change costs are as high as you said, or for any one of a number of other reasons. Keith Martin has seen it happen time and again. Over the decades he has worked in construction, he has developed a set of recommended practices that trade contractors can use to better manage changes. (See main article.) But Martin has also heard many a general contractor or owner’s arguments about various aspects of the change-management process. And he has come up with a number of ideal responses, which tradespeople can use to push back when owners or contractors dispute matters. Consider keeping the following quips in your change-negotiation quiver:

**Contractor says** (about a representative): “His signature doesn’t count, he’ll sign anything.”
**You say:** “Tell the judge that one, he’ll love it.”

**Contractor says** (about a representative): “His signature doesn’t matter, he’s not authorized for that level of expenditure.”
**You say:** “Then why is he directing our work, and who should be authorizing changes?”

**Contractor says:** “I’m too busy to put it in writing.”
**You say:** “Then tell us who isn’t and we’ll deal with them.”

**Contractor says:** “You guys are doing it all wrong.”
**You say:** “Then tell us how to do it right. But we still expect a change order.”

**Contractor says:** “If you lien this job, you’ll never work for us again.”
**You say:** Nothing – yet… Go do the math. Maybe it’s worth the risk. Or say (to yourself): “Yeah right, until the next time we’re the low bid.”

**Owner says:** “Lien my property and I’ll make sure you’ll never get paid.”
**You say** (to yourself): “Yes, you will. It might just be a bit of a battle.”

**Contractor says:** “I agree you did the work. I’m just not agreeing to pay you for it.”
**You say** (to yourself): Better read the contract, friend. I think you’re mistaken.”
EDUCATION CALENDAR

August 15
Social Networking for Construction

August 21
Approved Working At Heights Training

August 23
Construction Industry Ethics (In-Class)

August 29
Advanced Microsoft Project for Construction

September 7
Approved Working at Heights Training

September 12
Construction Drawings and Specifications

September 18
Approved Working At Heights Training

September 26
Injured Worker (Module 1)

Note
All education & training will be held at GVCA – 25 Sheldon Drive (unless noted otherwise).

EVENTS CALENDAR

July 14
HR in Construction: Marijuana in the Workplace

July 20
LinC Annual Golf Tournament – Conestoga Golf Course

August 24
WinC Golf Tournament – Galt Country Club

Note:
To view a complete list of upcoming events and to register, please visit www.gvca.org/eventscalendar.

REGISTRATION REQUIRED
for all courses and events. To register, or request additional information please contact admin@gvca.org or call 519-622-4822 X120 or go to: www.gvca.org/eventscalendar.

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