Rolling Out

GVCA salutes the construction teams that helped bring the ION rail project to completion.

THE FINANCE, SURETY AND BONDING ISSUE

With articles on cash flow management, an update on the national surety and insurance market, and a look at how Black and White Commercial Roofing got a financial-management makeover.

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A MESSAGE FROM
THE CHAIR

THINK OUTSIDE
THE BOX

Predictions are that there will be five million jobs lost to automation by 2025. This is a scary thought. But let’s turn that idea around for just a second.

There will be new jobs created that we haven’t begun to identify. The challenge will be adaptability and getting our workforce trained to meet this new demand. Factors out of our control, such as climate change, will have an effect on the construction industry, and we will see temperatures climb at alarming rates. This will have a huge impact on building materials, and building requirements to make them livable, workable and affordable. AI will continue to enter our industry at a very fast pace. More than this, it will require expertise to accommodate as we build buildings with comforts and flexibility that is new to us.

It is exciting to look at the change that is driven by a workforce that has a different attitude toward life. Work-life balance is the new norm for employees. Diversity, respect and gender balance are commonplace for every workplace, which is a change in the construction industry. We all need to take a look at how we can fill the jobs of tomorrow in non-traditional ways.

A MESSAGE FROM
THE PRESIDENT

ARE YOU READY?

I like to look to the future. It is inspiring to me to see changes, and to anticipate what the next few years will look like.

We know that nothing stays the same, and that we are always evolving. Demands are increasing, challenges are greater than ever and timelines are shorter. What is it going to take to survive?

Mental elasticity and complex problem-solving skills are key. The future will bring problems that we have never seen before in a world we’ve never experienced. Add to those critical thinking skills to sort through information and find truth. If you don’t trust technology now, imagine your attitude toward technology in the future. Questioning information that is posted is a responsibility to ensure truth.

Some of us may worry that jobs will be replaced by robots, but think about this: robots are good at performing diagnostics and calculations, but they are not good at creating original content or being abstract. People skills will come back as a sought-after skill. Since the introduction of e-communications, we have lost the knack of conversation, listening and emotion. There is a desire to work collaboratively as opposed to working independently. Collaboration, teamwork and sharing of ideas will always be required to remain successful.
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.

Stonerise Construction is dedicated to using advanced building technologies as the development of The Barrel Yards progresses. All of the project’s building structures are composed of either cast-in-place or total precast concrete. The company is further experimenting with a composite floor system—a method where large flutes in the deck act as joists and are poured monolithically with the floor. Further, each building within The Barrel Yards has been designed to boast high energy efficiency. All exterior walls will be spray foamed, buildings heated and cooled with hydronic heating systems, and every light fixture offers LED lighting.

For more information or to have your project profiled, contact GVCA's pre-bid reporter Rob Agley at rob@gvca.org
Gold Seal Certification Award
GVCA President Martha George presents Sohila Ghaosi of Gateman-Milloy with his Gold Seal certificate for Project Manager, General Contracting.

CSC Design Competition Winners ▲
Congratulations to the winners of the Construction Specifications Canada design competition! The award was presented to Ryerson University students.
Left to right: Nora Alkeyat, Sydney Smeets and Paul Lee. Absent was Daniela Figueroa-Bautista.

Construction Specifications Canada ►
A great crowd assembled at Construction Specifications Canada’s Connection Café at Catalyst 137 on May 15.
Top to bottom: Sheri Thompson of WalterFedy and Lee-Ann Herriott of Custom Building Products. MIke Lanthier of Sika Group. Susan Cunha, Producer, ssstudio.ca
WinC Spring Dinner
A full house at the Women in Construction Spring Dinner in May. A fun networking event at the Pines in Cambridge!
Left to right: Kimberley Ball of Ball Construction, Tania Ziolkoski of Cowan Insurance Group, Waterloo Region Chair Karen Redman, and Ann Treusch of Cowan Insurance Group.

Terri Lovely-Gallant and Theresa Mina of ACL Steel.

GVCA President Martha George, Nikki Laskin of AON, Marisa and Astrit Toffolo of Tosca Tile.

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For many drivers, operating a car or truck may seem second nature, whether it's for personal or work use. However, no matter what the level of experience or comfort, driving requires your full attention. With the popularity of cell phones, texting, talking and emailing on the go are increasingly becoming factors in collisions. This infographic highlights the importance of minimizing distractions, and offers helpful tips for both drivers and employers to keep the focus squarely on the road.
All provinces, along with Yukon and Northwest Territories, have some form of cell phone or distracted driving legislation in place.

Tips to eliminate or minimize DISTRACTIONS

FAMILIARIZE yourself with the route and directions.

SET your radio station or music device prior to driving.

PRE-PROGRAM your route into your GPS device.

LISTEN to your GPS device; don't look at it.

PUT any reading materials or distracting objects away in the trunk.

ALLOW calls to go to voicemail. If you must make or take a call, pull over to a safe location.

DO NOT EAT, DRINK, GROOM, or SMOKING.

AVOID emotional or stressful conversations while driving.

KEEP your eyes and mind on the road.

KEEP two hands on the wheel.

What can EMPLOYERS do to help?

ESTABLISH a policy that prevents workers from using cell phones while operating a vehicle while on company business.

ENSURE work schedules are established that allow employees to focus on driving and not their work while operating a vehicle.

INSTALL hands-free electronic device capability on company-owned vehicles.

INSTRUCT workers to have a voicemail message that indicates they are driving and cannot respond to calls.

EDUCATE workers about the risks of distracted driving.

Editor's note: this infographic was created by the Canadian Centre for Occupational Health and Safety. For more information, visit www.ccohs.ca.
5 PREDICTIONS FOR PROMPT PAYMENT & ADJUDICATION

Here are five predictions about how prompt payment and adjudication will roll out and develop.

01 IT WILL START WITH A WHIMPER.

Prompt payment and adjudication go into effect on October 1, 2019, but most contracts will continue to be governed under the old rules. The old rules will apply to any contract signed between an owner and a contractor before October 1, 2019, even in respect of work performed after October 1, 2019. The old rules will continue to apply to subcontracts signed after October 1, 2019, if the subcontract relates to a prime contract signed before October 1, 2019. The old rules will even apply to prime contracts signed after October 1, 2019, if that contract arose out of a procurement process that started before October 1, 2019. Even for those contracts and subcontracts to which prompt payment and adjudication apply, it will take a while for work to be performed, disputes to arise, and for those disputes to be referred to adjudication.

02 THE FIRST ROUND OF ADJUDICATORS WILL BE LEADING LAWYERS WHO ARE GRANDFATHERED IN.

The Adjudicating Nominating Authority (ANA) will oversee the training and qualification of adjudicators. As of May 31, 2019, the provincial government had still not selected the ANA. Once selected, the ANA will need to hire staff, develop curriculum, enroll students and then graduate them. It seems unlikely that the ANA can accomplish all of this by October 1, 2019. I expect the provincial government to appoint few leading lawyers

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to handle the few adjudications that occur in late 2019 and early 2020.

**03**

**THE BATTLE AT THE BOTTOM OF THE PYRAMID: ARE MATERIAL SUPPLIERS SUBCONTRACTORS?**

Prompt payment operates on a pay-when-paid basis. If a subcontractor is not paid, then they can delay payment to their sub-subcontractors by delivering a notice of non-payment pursuant to subsection 6.6(6) in the prescribed form and time. If a material supplier is a “subcontractor” for the purpose of the act, then unpaid trade contractors can delay payment to them by delivering a notice of non-payment. That will be a rude awakening for material suppliers who have always expected payment in 30 days whether or not their client had been paid. No doubt, material suppliers will take the position that they are not subcontractors. Expect this issue to come up early and often.

**04**

**THE BATTLE OVER HOLDBACK: WHAT DOES MANDATORY RELEASE OF HOLDBACK MEAN?**

Mandatory release of holdback is part of the new Construction Act, but not everyone agrees on what that means. Section 26 of the act now says that each payer upon the contract or a subcontract shall pay the basic holdback where all liens that may be claimed against that holdback have expired. On the one hand, section 26 appears to say that early trade, like an excavator, is entitled to its holdback 61 days after leaving the site. On the other hand, if prompt payment operates on a pay-when-paid basis, does a general contractor have an obligation to pay out holdback to its trades before the general contractor has received holdback from the owner? I expect this to be among the first issues to be dealt with in adjudication.

**05**

**NON-LAWYERS WILL ENTER THE MARKET FOR ADJUDICATION ADVOCACY.**

Only lawyers can represent someone else in court, but anyone can act as an advocate in an adjudication. Some contractors will act for themselves. Large general contractors will hire people to handle adjudication in house. The real challenge to lawyers will occur if businesses similar to X-Coppers and Points (X-Contractors, perhaps?) enter the market for adjudication advocacy.

Ted Dreyer is a construction and insurance lawyer at Madorin, Snyder LLP in Kitchener. This article should not be relied on as legal advice.

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For example, reviewing your gross margin on completed jobs is a great way to determine the end profitability on that job. However, when the job is completed, it is too late to make any adjustments to boost your profitability or hit other targets. If you start to track a few key performance indicators (KPIs) regularly, you will have a more up-to-date picture of where you are, and what adjustments you need to make.

Wikipedia defines a KPI as a type of performance measurement to evaluate the success of an organization or a particular activity. Many people think of KPIs only in the financial sense, however there are many others that are vital to the long-term success of your business. For example, in construction safety is always a top concern. The number of accidents per job might be important an KPI to track, especially if you want to improve safety. Here are a few common KPIs you may want to track.

**SAFETY**

By tracking the number of accidents per contractor, you will be able to better align your company with other companies with similar values. If your partners also value safety, it will lead to lower incident rates. This in turn typically leads to better employee morale, lower insurance costs and higher productivity.

**EFFICIENCY/PRODUCTIVITY**

There are many different KPIs to measure efficiency and productivity. Some common measures are as follows:

- employee utilization (the percentage of the employee’s billable vs. non-billable time)
- employee realization (the percentage of the employee’s billable time you are able to charge to customers)
- equipment hours (tracking equipment use and downtime)

The employee utilization will help show how much of the employee’s time is spent on items directly billable to customers. For example, an employee may work an eight-hour day but six of it may be billable to the client. The other two hours may have been spent on internal training or other non-chargeable projects. This...
would put the employee’s utilization at 75% billable (i.e., 6 hours/8 hours). This measure can be used to determine how employees’ hours are being used and ensure proper allocation between billable and non-billable work.

The employee realization will help to track the efficiency of billable work. For instance, in the example above, for quoting if you typically charge an employee out at $60 per hour, you would expect six hours of billable work would equate to $360 in billings (6 hours * $60 per hour). However, if you quoted the job at $240 based on four hours of work, and it took six hours (and you were not able to bill more) the realization would be 67 percent ($240/$360). Tracking this would help to identify training opportunities to improve efficiency if some employees are able to get work done with a higher realization while still maintaining the desired quality standards.

Tracking equipment hours can assist with asset purchasing and scheduling decisions. If you have incurred the cost to acquire an asset you want it to use it to its maximum potential. By tracking the hours of usage and downtime you can make better decisions on resource allocation and whether additional assets are required or whether short term rentals would be more beneficial.

### QUALITY

Any successful business owner will tell you that quality is crucial for long-term success. You can be the fastest, most efficient contractor ever, but if you have quality issues the repair costs will reduce your profitability. Repeated quality issues will limit customers wanting to work with you long-term. Some typical KPIs on the quality side are as follows:

- number of inspection issues
- number of complaints/repairs

Having KPIs in place to track how many quality issues arise is important. Equally important is having systems in place to quickly address any issues as they arise to maintain the highest level of quality and customer service.

### EFFECTIVE USE OF KPIs

Once you have identified the KPIs that drive your business, the next step is implementing tracking and analysis. In most cases you likely already have access to the information, it is simply finding an efficient way to present it. For example, you likely already have a time and billing function that tracks employees’ hourly time. However, it is inefficient to look at every employee’s time sheet to track their utilization or realization. Dashboards are very helpful in this regard to eliminate data overload. A dashboard is a collection of a few key items to be tracked on a regular basis. Some of the KPIs noted above can be automated and the results presented on a dashboard for easy analysis. In the employee utilization example, the dashboard could show the average employee utilization by level compared to the previous year. By presenting the high-level aggregate data on the dashboard, it helps to better identify trends and eliminate over analysis. If there are any changes in expectations, then further analysis can be done.

By effectively identifying a few key performance drivers for your business, you can start to track what is really important to your success with real time data. This will help you to be proactive in making changes required to promote both short and long-term success. It is crucial to continue to evaluate your KPIs as the driving forces for your business may change over time and with growth.

This article was written by Wayne Root CPA, CGA, a partner with RLB. Wayne can be reached at (519) 822-9933, ext. 289 and wayne.root@rlb.ca
Marc Lindner’s roofing company had a problem some businesses would only be too happy to share. Sales had jumped 50 percent each year since the company started in 2014. Its workforce had grown from one employee to 35.

But despite the explosive growth, Kitchener, Ont.-based Black and White Commercial Roofing was having cash-flow issues. Lindner had focused so heavily on sales and customers that financial management had been neglected. He was making major purchases without proper planning and didn’t have a good idea about his costs.

“We never had a budget,” Lindner says. “There wasn’t a lot of planning or preparation. When we bought capital equipment, it was always reactive.”

Lindner turned to the Business Development Bank of Canada (BDC) for advice on how to overhaul his financial management. The exercise quickly paid off. Much-improved financial controls have not only made it easier to ensure adequate cash flow, but also helped Lindner cut costs, vastly enhance business planning and improve teamwork in the company.

COMMON CHALLENGE FOR ENTREPRENEURS
Poor financial management is a challenge for many business owners absorbed in the day-to-day hurdles of running their companies.

“Many small and mid-sized entrepreneurs don’t always have a good handle on everything financial in their business,” says Roshan D’Souza, Director of Business Development in BDC’s Advisory Services team. “They tend to believe that financial management is only for accountants. The reality is that entrepreneurs need to understand how sound financial management practices contribute to the success of their business. For example, it’s important to periodically review their company’s financial performance, with relevant and reliable information for decision making.”

The impacts can be especially serious in fast-growing businesses. “These companies are burning cash very quickly,” D’Souza says. “If they don’t have a basic financial process in place, their risks go up significantly.”

EYE-OPENING PROCESS
At Black and White Roofing, a BDC consultant did a thorough review of the company’s finances and future goals. Lindner and his team then sat down to work out an action plan to reach those goals.

They created the company’s first annual budget and cash-flow projections for the coming year. They also looked carefully at costs and margins.

The process was eye-opening. For example, Lindner hadn’t realized that some customers were taking over 90 days to pay bills. That, in turn, had contributed to the company’s cash flow hiccups. Lindner started working with clients to reduce payment times.

DEVELOPED PERFORMANCE INDICATORS
He also finally got an understanding of his costs, which allowed him to look at
THREE TIPS FOR BETTER FINANCIAL MANAGEMENT

ONE Create an annual budget and cash flow projections. These documents are the foundation of your financial management. Without them, your business is flying without instruments.

TWO Establish relevant KPIs. Brainstorm with your team about KPIs relevant to your business goals. These could include:
- growth and profitability ratios (e.g., gross margin by product)
- liquidity ratios (e.g., sales to working capital ratio)
- activity ratios (e.g., average accounts receivable days outstanding)

THREE Monitor and improve. Financial management should be a continual process that happens through the year. Consider holding monthly meetings to review your KPIs and compare actual results to targets and projections, plus more comprehensive quarterly meetings.

Everyone knows where the business is going. It has brought us together as a company / Marc Lindner

ways to reduce them. He was able to find significant savings by cutting overhead and unproductive marketing efforts.

Meanwhile, creating cash-flow projections helped Black and White Roofing plan capital purchases to reduce impacts on working capital. “Now that we have the costs down on paper, we can plan out the longevity of equipment and new purchases,” Lindner says.

With BDC’s help, Lindner also worked with his team to identify a set of key performance indicators (KPIs) to help the business monitor its financial management. “We had been struggling with KPIs for a couple of years,” Lindner says.

Lindner now monitors his cash flow on a weekly basis and holds monthly meetings with his team to review KPIs and compare results to targets. They also have quarterly meetings where they go deeper into the numbers, including project costing.

“Continuous improvement is a big part of this,” Lindner says. “We’ve developed a lot of transparency among senior management. We discuss variations in the budget and where we’re going.”

He believes the financial management makeover has laid a solid foundation for the company to keep up its fast pace of growth and meet its ambitious sales targets. The team meetings and transparency have also brought the business closer together.

“Before, we were working in silos, in our own little areas,” Lindner says. “We are working as a team now. Everyone knows where the business is going. It has brought us together as a company.”
 Changes in the bond and insurance markets might typically be characterized as ‘slow and steady’. 

This past year, however, has been a difficult one for insurers and bonding companies, which in turn has meant new considerations for contractors. Below, we discuss those challenges, and what contractors can do to best position themselves when addressing these issues with their bond, insurance and broker partners. 

**2018 RESULTS**

Following several years of positive underwriting results, the Canadian surety industry suffered its worst year ever in 2018. Losses exceeded $600 million, and the industry’s loss ratio hit 107 percent. The significant Carillion and Bondfield insolvencies made up a large part of the industry’s 2018 losses, but even after removing those, the industry loss ratio increased by over 50 percent over 2017.

**DRIVERS OF CLAIMS**

The claims experience was largely driven by the two large contractor failures, where myriad issues were at play. Owner disputes played a key role, highlighting the risks in certain financing models (such as AFP) and contract structures, and emphasized the absolute importance of capitalization and pricing work adequately. In both cases, an abundant backlog may have served to hurt rather than help the contractors, which recalls FMI’s wise maxim, “Contractors don’t starve to death; they die from gluttony. They get too much work, too fast, with inadequate resources, and then they get into financial trouble and run out of cash.” (FMI, Why Large Contractors Fail – A Fresh Perspective, 2016).

**2019 Q1 RESULTS**

The surety industry’s premium and loss data for the first quarter is now available on the website of the federal Office of the Superintendent of Financial Institutions. Though the direct loss ratio is down year-over-year to 20 percent, and (fingers crossed) there are no new large contractor defaults known to be unfolding, 2019 has seen an increase in loss frequency and the outlook for the industry overall remains questionable.

**WHAT DOES THIS MEAN FOR CONTRACTORS?**

While the record losses are primarily being taken by a few bonding companies, most sureties cede a portion of their risk to the same pool of re-insurers that are starting to react to the losses they’re taking. As a result, a tightening in the surety marketplace can be envisioned.

The challenges faced by the surety and construction industry as a whole over the past 12 to 18 months are a good reminder for contractors to prequalify their clients and be selective in the general contractors you work for, and subcontractors and suppliers you work with. Strong partners will reflect well on you and help ensure any hurdles your firm faces are manageable. Check where appropriate that sufficient financing is in place to finance the work.
For general contractors, bond your large or critical path subtrades, or find other ways of mitigating the risk of subcontractor default. For subcontractors, find out if you are working under the protection of a labour and material payment bond, and be mindful of the notice periods stated within that bond. And whenever in doubt, talk to your business partners, which should include a knowledgeable surety broker, for advice.

For general contractors, bond your large or critical path subtrades, or find other ways of mitigating the risk of subcontractor default. For subcontractors, find out if you are working under the protection of a labour and material payment bond, and be mindful of the notice periods stated within that bond. And whenever in doubt, talk to your business partners, which should include a knowledgeable surety broker, for advice.

**CANADIAN INSURANCE UPDATE**

**2018 RESULTS**

2018 was a very difficult year for Canadian insurers, as their combined loss ratio (which is made up of overhead plus direct losses on policies written) skyrocketed up from the prior year—by 10 percent. What that means is that in 2018, the insurance market as a whole paid out $1.04 for every $1.00 they charged in premiums, up from about $0.94 in 2017. That’s a terrible trend, and a severely unsustainable business model, so the insurance companies are actively engaged in correcting what’s broken.

**WHAT’S WRONG WITH THE INSURANCE MARKET, EXACTLY?**

It’s not one thing. It’s death by a thousand cuts. Some of the big issues include:

- a continued increase in weather-related losses (e.g., floods, forest fires and hurricanes),
- significant growth in the quantity of water damage claims (e.g., sewer backups and burst pipes), as well as the increasing costs of the associated repairs,
- increasing trend in liability losses due to slips, trips and falls, partly attributable to the judicial landscape in Canada and the growing litigiousness in Canada, and
- sustained issues with high losses in the Ontario automobile marketplace, due to automobile construction and design, increased repair costs, and severe accident benefit and liability claims.

In addition, an abundance of capital made its way into the insurance marketplace over the past five or so years. This generally led to heightened competition, lower rates and broader coverage, and culminated in a rough landing in 2017, with 2018 being even worse.

**WHY IS CANADA SO BAD?**

Actually, it’s not just the Canadian marketplace. Lloyd’s of London, the largest insurance provider on the planet, just came off two of its worst years in history, losing $5.7 and $1.6 billion over that period.

**WHAT ARE THEY DOING ABOUT IT?**

Insurers have a few levers to tweak their business, and they’re actively using them all. They can raise prices across the board, drop poor-performing segments of business, reduce coverage, and cancel brokers whose portfolios are either too small to manage, or generally unprofitable.

Case in point, seven Lloyd’s syndicates shut down their construction businesses, causing $1 billion of capacity to evaporate over a 12-week period in the fall.

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WHAT DOES THIS MEAN FOR CONTRACTORS?

Insurance companies aren’t fighting over business as they were a few years ago, so the trend of seeing slight rate reductions or unchanged rates in the past has changed radically. Generally speaking, contractors that have performed well (from a loss ratio point of view) can expect to see rate increases of five to ten percent on auto, property, and some liability classes.

Companies in higher hazard classes, such as roofing, winter maintenance, plumbing, and some civil contracting classes prone to underground damage or slips, trips and falls, should expect higher rates from their incumbent insurers—and in some cases, a wave goodbye from their Insurers.

WHAT CAN YOU DO ABOUT IT?

If you’re caught in a storm, you are going to get wet. But you don’t have to get drenched or drown—and you can affect the result. Be selective about who manages your risk and be proactive with your insurance advisors. We advocate the following trifecta of best practices:

1. Engage your advisor early, strategize with them about your upcoming renewal, and work closely with them to achieve the best renewal result.

2. Ensure your advisor understands the construction industry well and has staff that are dedicated to managing contracting risks, and insuring contractors. If they don’t represent a large portfolio of other contractors, and if they’re not focused on the construction business, they won’t be able to benchmark your rates, nor will they be able to predict the land mines that lay hidden in many insurance policies which are often generically written and not tweaked for the nuances of construction.

3. Finally, ensure your advisor is small enough to care about your business, and to offer pragmatic and tailored service, but is large enough to have lots of options for contractors, and has clout with their insurers.

Good luck!

Petrela, Winter & Associates are bond and insurance brokers specializing exclusively in the construction industry. This article was written by Greg Petrela (gpetrela@petrela.com), PWA president and Tim Gorman (tgorman@petrela.com), a partner with the firm.
Cash management in construction involves constant monitoring of each aspect of the business, from controlling expenses to collecting receivables. Any misstep in this process can and will have an impact on an organization.

To protect a company’s financial interests and prevent costly mistakes, awareness of common cash flow errors is vital. Here are some of the common mistakes that hurt a construction company’s cash flow.

01 | FRICTION BETWEEN THE FINANCE AND SALES DEPARTMENTS

The sales department is concerned with increasing the company’s revenue while the finance department is concerned with profit and maintaining a positive working capital. If there is friction between these two departments, a construction company’s cash flow may be affected.

Conflicts that arise between these departments are largely because they are not always on the same page when it comes to their specific goals. The sales department is responsible for getting more clients and projects to increase revenue. On the other hand, the finance department deals with billing and collection. Sales wants to close the deal while finance wants to reduce financial risk. So when the sales department brings in more clients with less than favorable credit terms, the finance department will have a difficult time collecting receivables and the company may resort to using its cash reserves.

Improving the relationship between the sales and finance departments is the responsibility of organizational leaders. They should facilitate open communication between the two and mitigate conflicts that may arise.

02 | BOTTLENECKS IN THE CASH MANAGEMENT PROCESS

Cash management is a vital element in ensuring a company’s financial stability and solvency. It involves improving liquidity, choosing appropriate investment vehicles, decreasing the time between billing and collection, and increasing collection rates.

In the construction industry, where delayed payments and even non-payment are frequent, successful cash management is essential. Construction businesses need to employ sustainable strategies to deal with fixed expenses and operating costs while waiting for their receivables. Bottlenecks in the cash management process will force a company’s hand—leaving them unable to deal with unforeseen expenses, delaying payroll and halting growth.

Streamlining cash management processes will improve overall cash flow. For example, construction companies should take advantage of automation to regularly send invoices to customers and follow-ups for at-risk receivables.

03 | POOR DATA MANAGEMENT

Trouble in maintaining good quality data plagues the construction industry. According to McKinsey, the construction sector has been slow to adopt technological innovations and is among the least digitized. As a consequence, data collection is inefficient and the quality of the data is poor.

There are several ways a company makes mistakes in managing data. Human error is the most common. Errors in data entry, such as a client mistyping a contact number or an employee inputting the wrong address, cause delays in processing and can be difficult to correct. For example, sending the invoice to the wrong address will result in delays in payment if not noticed immediately.

04 | GRANTING CREDIT WITHOUT VETTING THE CLIENT

Another common mistake in the construction industry is closing deals without due diligence. Before granting credit to a customer, it is good practice to check their history.

One of the best ways to do so is by asking your contacts if they have partnered with a potential client before. Getting references from previous suppliers and asking them if the potential client has a history of timely payments are good practices that companies should employ when vetting potential customers. Another way is to do a background check through publicly available records—many of which are online—where court records and notice of liens are accessible. If there are customer reviews on forums and social media sites or complaints lodged with the Better Business Bureau, include them in the assessment.

Cash flow issues are some of the biggest challenges of all business owners. By taking note of potential pitfalls in business operations, construction business owners can mitigate future issues and keep the company in the black.
GVCA has thrown its support behind an initiative to deliver all-day GO rail service along the Toronto-Waterloo corridor.

The Grand Valley Construction Association is among nearly 40 organizations that are calling for the federal and provincial governments to deliver two-way all-day GO rail service across the Toronto-Waterloo innovation corridor.

“Two-way all-day GO service represents the single biggest opportunity to boost productivity, create good, high-paying jobs across the corridor while making commuters lives easier,” says GVCA president Martha George. “Rapid and frequent rail transit within Ontario’s Innovation Corridor is a potential win for our province. It is a key to reducing congestion on our roads and making a tangible impact on our environment.”

The Connect the Corridor (CTC) group is, “committed to connecting people to good jobs and pushing our economy forward through reliable, fast and frequent, rapid transit across the corridor.”

According to information published on the CTC website, there is 80 percent support for the service across the province. In addition,

- approximately 500,000 Ontarians believe they would use a service like this every day,
- 1,300,000 said they would use it once a week, and
- 52 percent of commuters say they would use this service to go to work or school.

The Toronto Region Board of Trade estimates that congestion and delays along the corridor costs Canadian businesses and consumers between $500 and $650 million per year in higher prices for goods.

GVCA SUPPORTS CONNECT THE CORRIDOR

TWO-WAY ALL-DAY GO SERVICE REPRESENTS THE SINGLE BIGGEST OPPORTUNITY TO BOOST PRODUCTIVITY, CREATE GOOD, HIGH-PAYING JOBS ACROSS THE CORRIDOR WHILE MAKING COMMUTERS LIVES EASIER / Martha George
A rapid and frequent rail solution could save $20 billion in passenger travel time savings, road maintenance cost avoidance and reduced congestion.

And while CTC officials say they were glad to see the federal and provincial budgets commit funding to transit infrastructure, they had hoped to see more done by stakeholders to make this vision a reality.

**POLITICAL SUPPORT FOR CTC IS FRACTURED**

In April, Kitchener Centre MPP Laura Mae Lindo introduced a private member’s motion in the provincial legislature calling for the government to provide a firm funding commitment and a clear timeline for the delivery of two-way, all-day GO service along the corridor.

Lindo asked for that timeline and plan to be delivered by June 6, the last day the provincial legislature will sit before rising

THE CORRIDOR IS ONE OF ONTARIO’S LARGEST ECONOMIC ENGINES. IT:

- is home to 6 million Ontarians and generates 17 percent of Canada’s GDP,
- employs more than 200,000 tech workers,
- is home to 15,000 tech companies and one of the world’s most sophisticated financial sectors, and
- employs thousands in the financial services, advanced manufacturing and education sectors.

Map image courtesy of www.gotransit.com
for the summer. The motion was defeated by a vote of 51–22, and without the support of fellow regional MPPs Mike Harris Jr. (Kitchener-Conestoga) and Amy Fee (Kitchener South-Hespeler).

The government has promised to make two-way, all-day GO trains a reality by 2024. In the meantime, Metrolinx CEO Phil Verster recently hinted that an announcement on the all-day service was coming soon.

Verster indicated that service to Waterloo region is among his top three geographic priorities in terms of expansion—along with Niagara and Bowmanville.

Learn more at connectthecorridor.ca

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**Reasons to have a Two-Way All Day GO Train**

Ontarians believe the reasons to have a train like this are all good. Reasons tied to a reduction in traffic congestion and greenhouse gas emissions are slightly more compelling than infrastructure, economic and employment reasons.

Different people have offered different reasons as to why they think we should have a two-way all day GO train between Toronto and Kitchener-Waterloo. Please indicate whether you think each of the following is a very good, good, so-so, poor or very poor reason for why we should have a train like this?

- Help companies access talent to grow/remain competitive: 28%
- Strengthen the technology corridor: 41%
- Help the economy by creating new jobs: 39%
- Provides much needed infrastructure: 41%
- Reduce GHGs by taking cars off the highway: 40%
- Reduce traffic congestion by taking cars off the highway: 38%

**Base:** ONLINE Total sample (n=802). Fieldwork October 25 – 30, 2018

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**The Guarantee**

We work closely with brokers, clients, industry related associations, private enterprises and government bodies, to develop innovative surety bonding solutions that are responsive to existing and emerging business needs across Canada and the US.

Learn more at theguarantee.com
EDUCATION 2019

GVCA offers a wide range of education programs, courses and workshops. Some are offered regularly; some as demand dictates.

We provide private corporate training depending on the number of registrants you have—and these sessions can be done at our facility or at yours.

Workshops and seminars are scheduled as legislation changes, and as new techniques and products are introduced to the ICI construction industry.

This segment contains details of some of our courses, and a listing of others. Don't hesitate to contact education@gvca.org if you have any questions. Please also contact us if there is something we don't offer, and you would like us to provide.

Stay educated—and stay on top of the competition!

For more information visit www.gvca.org or call 519-622-4822
Gold Seal Certification is a nationally recognized standard of excellence established by the Canadian Construction Association. It is earned through industry experience, education and by successfully completing a final exam. There are six designations you can apply for:

- Estimator
- Site Superintendent
- Project Manager
- Owner’s Construction Manager
- Safety Coordinator
- Foreman/Woman

Certification enhances your professional development, improves your job mobility and recognizes your skill, competence and experience in general contracting, electrical or mechanical contracting, roadbuilding and heavy construction or speciality trades. It is recognized and valued across the country.

To apply for one of the six designations, you need to have a minimum of five years’ work experience in that category. (There is also an Intern option if you do not have the required experience.) Your educational background is taken into consideration, and you receive credits by completing Gold Seal certified courses. A minimum of 100 credits must be achieved in order to apply to write the exam. The GVCA offers many in-class and online sessions to help you achieve GSC status.

More details are available on our website or you can email education@gvca.org
Gold Seal Certification

In-Class Gold Seal Courses

Construction Industry Ethics
This two-part program is mandatory for anyone seeking Gold Seal Certification (GSC). There is an online ethics portion that must be taken prior to the in-class session. Whether you are seeking GSC or not, the ethics course will help you understand ethical boundaries and responsibilities and enhance your contribution to your company. It is intended for owner/clients, contractors, supervisors, project managers, etc. who must deal effectively and professionally with employees, sub-trades, owners, clients, engineers, employers and the public. GVCA offers this course several times a year, and will be scheduling it again in the fall of 2019.

Responding Successfully to a Request for Proposal
More and more frequently, private-sector companies and government organizations are releasing requests for proposals (RFPs) as part of their procurement process and moving away from the traditional bid process. You will win or lose contracts based on your response to an RFP. You need the knowledge, understanding, and a proposed solution in order to convince the potential owner that your company is best suited to build their project. This is a two-day workshop designed for general contractors, trade contractors, architects, designers, engineers, consultants, bid/proposal managers and allied professionals in the construction industry.

Other In-Class Gold Seal Courses
• Construction 101
• Construction 201
• Close-out of a Construction Project
• The Construction Execution Plan

REGISTRATION IS REQUIRED for all courses. To register, or to request additional info, contact education@gvca.org, call 519-622-4822 x120, or visit www.gvca.org
Gold Seal Certification

In-Class Gold Seal Computer Courses

Advanced MS Project for Construction

This workshop is designed for project managers, estimators, site superintendents, and those who have used MS Project in the past. It focuses on using advanced MS Project for better communication with site staff and trades within your company and with your customers. You will learn how to create a master template to streamline project planning and tracking processes. You will be better able to keep track of change orders, equipment and trades, and update work calendars quickly. “Look Ahead” reports and checklists can be developed for site supervisors. This class will keep you on top of everything with accurate records of cash flow and other costing reports.

Lean Construction

Things are hectic in the construction industry. You need to get your project done faster these days and at a lower cost. From project owners wanting to see tangible results for their investments to contractors and designers who want to perform their roles well and move on to the next project— it’s a race to the finish.

Lean Construction courses are aimed at minimizing costs and maximizing value at all phases of project planning including: design, construction, operations, maintenance, demolition and recycling.

To help you develop the knowledge you need to build lean, this Lean Construction Education Program has been developed. You will learn the building blocks necessary to transform your projects into a lean operating system.

Other In-Class Gold Seal Computer Courses

- Excel for Construction (Basic)
- One Note for Construction
- In from the Site: Office Computer Skills
- Change Management for Construction
- Risk Management for Construction
- Microsoft Project for Construction
- Social Networking for Construction

The Lean Construction Education Course Curriculum includes:

- Variation in Production Systems (AGC 1)
- Pull in Production (AGC 2)
- Lean Workstructuring (AGC 3)
- The Last Planner® System (AGC 4)
- Lean Supply Chain and Assembly (AGC 5)
- Lean Design and Pre-Construction (AGC 6)
- Problem-Solving Principles and Tools (AGC 7)

These courses build on each other so doing them in order is best, but not necessary. Once you complete all seven, you can challenge an exam and obtain a “CM Lean” designation.

gvca.org
What is your training strategy? There is great evidence that training is critical to the success of a company. This can be evident in a number of ways. Training can be a retention tool—increasing job satisfaction and instilling loyalty and commitment from good employees. Training can be a recruiting tool as today’s workers are looking for professional development opportunities. Training is also essential for knowledge transfer—do you have registered apprentices learning from your experienced employees? Training is necessary in today’s competitive landscape in order to stay abreast of technological change.

Well-trained employees provide a competitive advantage and may help you run a better business. Conestoga College can assist with your training needs. We offer 22 different apprenticeship programs, and have a variety of full-time programs from which to recruit including HVAC Technician, Mechanical Techniques Plumbing, Brick and Stone Fundamentals, and Carpentry and Renovation Technician. We also offer continuing education classes and part-time programming such as Construction Management.

Contact us today—Conestoga College can help you develop your skilled workforce.

WORKING TOGETHER TO DEVELOP A SKILLED WORKFORCE

Send your apprentices for training; enhance the skills of existing employees or recruit from our full time programs

www.conestogac.on.ca/trades
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 (MOL 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.
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 in London, Ontario. “That confidence is a result of our commitment to developing a training program focused on results.”

Ropp 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. There’s 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 the job.”

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 and 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.

DAY ONE: JOB-READY

Thanks to training programs that are delivered in conditions that replicate the job site and meet the specific needs of today’s employers, LIUNA Local 1059 members are safe, productive workers as soon as they arrive on-site. Each year, experienced trainers at the LIUNA Local 1059 Training Centre and the mobile classroom instruct hundreds of apprentices and journeypersons in more than 15 different sectors and 40 different trades. We’re committed to delivering well-trained workers because on-the-job training is too late for your business.

For more information, please visit www.liunalocal1059.com
Health & Safety

In-Class Courses

- Working at Heights
- Working at Heights Refresher
- Standard First Aid
- Emergency First Aid/First Aid Refresher
- Book 7 Traffic Control

Online Courses

Gold Seal

- Communication, Negotiation, Conflict Resolution
- Confined Spaces Safety Awareness Training
- Construction Law
- Construction Project Management
- First Level Supervisor Training Program
- Introduction to Building Information Modeling
- Introduction to Construction Estimating
- Construction Industry Ethics

Health & Safety

- Aerial Lift
- Accessibility of Ontarians with Disabilities
- Confined Space Awareness
- Manager Due Diligence
- Fire Safety Training
- H2S Awareness
- Incident Investigation Training
- Ladder Safety
- Forklift and Lift Truck Training
- Lockout - Tagout Training
- Manual Material Handling Training
- Office Ergonomics Training
- Pipeline Construction Safety Training
- Transportation of Dangerous Goods Training
- Workplace Hazardous Materials Information System Training
- Workplace Inspection
- Workplace Violence and Harassment
School is out for the summer! Well, sort of. We are continuing with our mandatory Working at Heights and Working at Heights Refresher courses through July and August, but the rest of our schedule is being kept to a minimum due to vacations and the peak construction season. We are working on an exciting new classroom line-up for the fall and will keep you updated! Don’t forget, online courses can still be accessed at any time!

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To view a complete list of upcoming education and to register, please visit www.gvca.org. Note: All education and training courses take place at GVCA, 25 Sheldon Drive, Cambridge (unless noted otherwise).

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REGISTRATION IS REQUIRED for all courses and events. To register, or to request additional info, contact admin@gvca.org or call 519-622-4822 x120 or visit www.gvca.org/calendar.
WELCOME TO THE CENTRE OF WHAT’S NEXT

FOR LEASE
OFFICE | 200-3,000 SF
15 & 21 LEWIS RD, GUELPH

FOR LEASE
MEDICAL/OFFICE | 4,697 SF
16 ANDREW ST, KITCHENER

FOR LEASE
FLEX INDUSTRIAL-OFFICE | 4,000 SF
5 GODDARD CRES, CAMBRIDGE

FOR LEASE
MANUFACTURING/WAREHOUSE | 299,665 SF
950 SOUTH SERVICE RD, STONY CREEK

FOR LEASE
MULTI-UNIT WAREHOUSE | 31,717 SF
335 GAGE AVE, KITCHENER

FOR LEASE
RETAIL/OFFICE | 1,200-10,000 SF
651 COLBY DR, WATERLOO

FOR LEASE
OFFICE | 3,413-65,000 SF
4273 KING ST E, KITCHENER

FOR LEASE
MULTI-UNIT WAREHOUSE | 31,717 SF
335 GAGE AVE, KITCHENER

FOR LEASE
RETAIL | 536-5085 SF
600 LAURELWOOD DR, WATERLOO

FOR SALE
RETAIL | 800-1,294 SF
530 PHILLIP ST, WATERLOO

FOR LEASE
OFFICE | 25,000 SF
565 KUMPF DR, WATERLOO

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