Deconstructing Biltmore
Restoring Breithaupt Block
The pitfalls of building green
Accountable, creditable leaders in steel manufacturing
MESSAGE FROM THE CHAIR

Deconstructing Biltmore

Know your third-party rating systems

The risks and liabilities of building green

Brownfields are the new green in Waterloo Region

an expert responds

Perspectives on procurement

Seventeen minutes of chaos — Closing a job in a general contractor’s office

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Subscription inquiries and letters to the editor can be directed to editor@gvca.org
Canadian Publications Mail Product Sales Agreement: 42259531
Return Undeliverable Canadian Addresses to: Grand Valley Construction Association, 25 Sheldon Drive, Cambridge, Ontario N1R 6R8
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40 years since Kermit the Frog first told us about the hardships of being green: how the colour blends in with ordinary things, or how it’s not as flashy as he might have liked it to be. Kermit’s song is one of the great laments in the history of Sesame Street.

A lot has changed from when that song was first sung in 1970. These days, it’s a little easier to be green, even if we’re talking about green of an entirely different nature.

We at GVCA are as committed to promoting sustainability—and acting in an environmentally responsible fashion—as anyone in the construction industry. We’re offering courses and programs to educate our members about new conservation practices and technologies, and we’re strong advocates of our members’ use of green-building and design methods. And our commitment doesn’t end there. Our offices are moving further and further away from paper transactions than at any time in our history. In part because of convenience, but also because of the need to act as responsible stewards of the environment, we’re moving bid documents online where our members can access them—and print them—as and when they require. We’re migrating key association documents, such as the minutes from our board meetings to electronic format. We’re giving members the opportunity to pay their accounts through automatic withdrawls, and finally, we’re supporting CCA and the CCDC in their efforts to distribute standard construction contract documents through electronic media.

With this trend toward sustainability at the front of our minds, we’ve even re-imagined the GVCA Journal magazine somewhat. Twice a year, we’ll publish wholly electronic versions of The Journal. In so doing, our aim is not only to distribute the magazine more frequently than before (since we will now publish two hard copy editions and two electronic editions of the magazine each year), but also save money on production costs, and do our part to cut down our carbon footprint and reduce the quantity of precious natural resources that we consume. It’s one of the ways that we as an association can continue to deliver value for our members while also protecting the environment that is common to us all.

With apologies to Kermit: it is easy to be green. Here at GVCA, we’re doing our part. You can do the same. Look around your jobsite and your offices to find ways to be more resource wise. Change can be as simple as cutting down on paper use, or initiating corporate recycling programs (after all, our region is ground zero for the blue box recycling program), or even thinking about ways to recycle or re-use the construction and demolition waste you create on site.

Let’s make a difference together!
PROJECT PROFILE

Deconstructing
Biltmore

Earlier this year, the team from Kieswetter Demolition began the painstaking process of tearing down the old Biltmore Hats factory in Guelph. The company is on track to divert at least 85 percent of the total site waste from area landfills.
CALL IT A SIGN of the times. Call it the end of an era in downtown Guelph. Call it the inevitable creep of modernization. Call it what you will. Just don’t call it a demolition project.

Biltmore Hats, a Guelph institution for nearly 100 years, produced its last hat in January. When company president Eric Lynes sold the business to US-based Dorfman Pacific in September 2010, the writing was on the wall. The business that Lynes resurrected in 2005 was again failing, and the owner judged that the only way to maintain the brand was to sell its interests to a larger corporation. Even if that meant shutting Biltmore’s doors for good in Canada.

Vacated, it wasn’t long before the Biltmore Hats factory on Morris Street became the subject of discussion. The site was eventually sold, proposals made for re-development and discussions held over the form and function of the new building to be located on the factory site. Amid these activities, construction crews arrived on site with the mandate to remove the building and prepare the land for reconstruction. Enter Kieswetter Demolition.

“It’s not a demolition project,” says Dave Kieswetter, one of the principals of Kieswetter Demolition. “It’s a deconstruction project.” Indeed, the process involved in decommissioning the building on the three-acre site is anything but conventional. There’s no wrecking ball. No smashing. No dynamite. No explosions. In fact, the job is far more methodical than you might think. Sections of the building are removed systematically and materials extracted from one another with the very real intent of re-using or recycling as large a portion of the original construction as possible. Materials are then sorted into piles on site. One for steel. One for clean wood. One for treated wood. And so on.

The team from Kieswetter has its eye on conserving or re-using just about everything inside and outside the old manufacturing plant: structural steel, timber, wallboard, ceiling board, concrete, gas heaters. You name it. If it can be kept out of a landfill, it’s fair game.

“Eighty percent is our waste-diversion target for this project,” says Kieswetter. “We’re putting every effort into
ensuring that as little waste as possible ends up in the landfill. In fact, there’s very little here that appears to be unusable from our point of view. Some roof components and some wall materials may be problematic, but for the most part we can turn the concrete and brick into road-bed materials, we can re-use the clean wood and we can recycle the painted wood. There’s a lot of potential.

Kieswetter Demolition has invested a great deal of time and effort into training its staff and marketing its business as a deconstruction specialist. Not that a particular designation is required to do so, but the company has ensured its staff understand the process of taking apart a building piece by piece. Each person on site is trained to recognize which materials can be reused, which recycled and which are landfill bound.

It helps too that Kieswetter Demolition maintains a sister company, The Timeless Materials Co., that has diverted more than 70,000 tonnes of material from landfills.

Kieswetter says some of the material from Baltimore will certainly end up at the Timeless Materials Co. Most will probably be re-used around the construction industry in other ways: as aggregate for road builders, for example.

The value of deconstruction

Of course, deconstruction is hardly a new phenomenon. Not by a long shot. But as more and more owners and consultants consider building to environmental performance standards such as LEED, deconstruction can help teams earn valuable points relating to material re-use, recycling and other forms of waste diversion.

The trade offs for such a benefit are time and money. Kieswetter estimates deconstruction can add as much as 20 percent to a construction schedule. Not just because of the time and care required to disassemble a building as opposed to simply destroying it, but also for time taken by site crews to sort and check materials.

“It’s worth the extra effort to deconstruct as opposed to demolish,” he says. “Lots of people believe in the importance of the green building movement and deconstruction is one way that demolition contractors can make a difference.”
Know your third-party rating systems

LEED is one of the most popular terms in the construction industry today. It’s become so commonplace that it’s viewed as the industry’s *de facto* standard for excellence in environmental performance. The fact of the matter, however, is that there are far more third-party environmental rating systems than just LEED on the market today. Each works in its own way. And while there are a lot of commonalities among the systems, they also have particular characteristics that make them slightly different.

We’ve compiled a list of five established ratings systems, three of which focus on commercial and industrial construction only. The other two are focused only on home building.
Leadership in Energy and Environmental Design (LEED) Green Building Rating System


What is it?
LEED is a suite of rating systems for the design, construction and operation of commercial and industrial buildings as well as homes. Administered in Canada by the Canada Green Building Council (CaGBC), LEED provides owners and operators with a framework to identify and implement solutions that help reduce a building's environmental footprint.

Designers who use LEED introduce measures to a building that can attain points in any of nine areas: site location, water efficiency, energy and atmosphere, materials and resources, indoor environmental quality, locations and linkages, awareness and education, innovation in design, and regional priority. Designers aim to achieve as many points possible to certify the building to the highest LEED standard possible. Buildings that achieve 40 or more points can be LEED Certified. A score of at least 50 points earns the LEED Silver designation; 60 or more points receives LEED Gold; 80 or more points earns LEED Platinum.

To date, more than 2,600 projects across the country have filed for LEED certification.

Why is it important?
LEED has become the standard rating system for new construction and retrofits in North America. When they choose to implement any rating system as a condition of contract, most owners will select LEED. As such, it’s well understood by the industry and comparatively easy to implement. Consulting firms in Ontario and across Canada have even dedicated whole divisions of their businesses to helping designers and contractors win as many LEED points as possible for their clients. What’s more, CaGBC even maintains a LEED Accredited Professional designation to enable designers, builders and project managers to more easily coordinate the process of designing and building—and filing documents—to the LEED standard.

What are its drawbacks?
Despite its popularity, LEED isn’t perfect. One of the most common criticisms it draws is the time taken to issue certification. The CaGBC faces a backlog of projects to be certified. Certification normally cannot be performed until at least a year, post-occupancy to ensure the building performs to intended specifications. Backlogs delayed that timeline even further. In response to this concern, CaGBC has adopted a more streamlined approach to certification that promises results within six months. What’s more, it has hired additional staff to help with the certification process.

Cost is another concern for owners who want to build to the LEED standard. Gold or higher certification can add at least three percent to a project’s bottom line. As well, LEED certification sometimes demands complex construction methods or hard-to-find materials and components. LEED also requires a high degree of coordination among the members of the construction team and can extend schedules.
BOMA Building Environmental Standards (BEST)

**Created by:** BOMA Canada in 2005

**What is it?**

BEST combines BOMA's Go Green and Go Green Plus programs into a single system that independently assesses energy performance in five types of buildings: offices, shopping centres, open air retail plazas, light industrial buildings and multi-unit residential buildings. It is the only certification program of its kind for commercial buildings in Canada, and provides a framework through which building owners and managers may evaluate the performance of their buildings in six key areas: energy, water, waste reduction and site, emissions and effluents, indoor environment and environmental management systems.

Performance statements are validated by independent auditors, and buildings may achieve any of four levels of certification.

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**What are its drawbacks?**

Despite its growing popularity, BEST is still a relatively unknown quantity in Canada, and it can be hard to find assessors that are trained well enough in the program to issue timely BEST certification.
**BuiltGreen**

**Created by:** BuiltGreen Society of Canada in 2003

**What is it?**

BuiltGreen is a third-party certification program for environmentally responsible homes. Membership in the program is open to all members of participating home builders associations, such as builders, renovators, product suppliers, service providers, developers and municipalities, and the program includes mandatory training before a company can build a BuiltGreen home.

Four levels of certification are available under BuiltGreen, and homes that are built to the standard must pass energy audits.

**Why is it important?**

BuiltGreen certification is important for builders as a differentiator in the market. It’s also important for new home buyers who want to reduce their carbon footprints as much as possible.

**What are its drawbacks?**

While BuiltGreen has undoubtedly carved out a niche for itself in Alberta and British Columbia, it appears barely used outside those two provinces. Indeed, only one Ontario builder is listed as certified on the BuiltGreen website, and none from any other province.

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**R-2000**

**Created by:** The Office of Energy Efficiency of Natural Resources Canada in 1982

**What is it?**

R-2000 is an energy-efficiency program for new home construction that creates high standards for criteria such as indoor air quality, environmental responsibility and energy use. Builders must be trained to the R-2000 standard, and homes that are designed and built to the standard must pass tough quality assurance tests—during every stage from design to occupancy—to earn the designation.

**What are its drawbacks?**

The major criticism R-2000 draws is that it’s almost too good. While it’s true that a home sealed too tightly will be less expensive to maintain, such a house is also easy prey for mould problems, and other issues relating to indoor air quality.
IN 2011, the British Columbia Construction Association commissioned a white paper that considers some of the potential risks and liabilities associated with building green. The report, *A Study on the Risks and Liabilities of Green Building*, is a comprehensive study of the pitfalls faced by contractors, subcontractors, manufacturers, suppliers and designers when building to third-party rated performance standards that are increasingly demanded by owners across the public and private sectors.

The document has garnered attention across the construction industry and fostered a discussion not only about its content, but also about the benefits and drawbacks associated with particular green-building certification programs (such as LEED and BOMA BEST), and about the industry’s approach to green construction as a whole.
The risks of green building

The BCCA report identifies two risks associated with green building projects.

1. Added complexity

The report argues that third-party rating systems complicate many aspects of construction (documentation, timelines, material selection) to the extent that the scope of liability for all participants is significantly broadened. Moreover, the fact that the job of attaining credits for each rating system is never assigned to a single team member means that no one company can control every step toward reaching certification.

2. Likelihood of claims

Third-party rating systems do not create privity between owners and contractors/designers. As such, any party that warrants or guarantees final certification of a building is exposed to liability relating to lost sales, or the loss of value of a building that fails certification. What's more, contractors or designers with specialized green-building training or expertise may be held to a higher standard of care when building green.

Risk remedies

BCCA also suggests ways in which parties to a construction project may protect themselves from liabilities when building green.

1. Review contractual obligations

It's possible to unintentionally accept more risk on a green-building project than you otherwise would on a traditional project. This is especially true when you appreciate the level of coordination that's normally required to meet the requirements of third-party ratings systems.

With that in mind, read contract documents carefully. Consider whether green terms are clearly defined, relevant timelines established, responsibility clearly and fairly assigned, and the project's goals—in terms of environmental performance—explicitly stated. Consider also the role of tools such as BIM, and any specific liability assigned to parties working toward winning a specific credit.

2. Don't provide a warranty or guarantee of final certification

Given that it's impossible for any designer or contractor to control such an occurrence with any degree of certainty, you should never assure an owner of a building's certification. Review all consequential and liquidated damages provisions carefully, since potential claims can far exceed the value of your original contract.
The risks and liabilities of building green

While construction comprises 20 percent of Canada’s GDP, industry R&D spending has not kept pace. In 2006, Canadian construction companies spent less than $50 million on R&D—less than 0.5 percent of total national R&D spending in the manufacturing sector.

EARLIER THIS SUMMER, Helen Goodland—the managing partner of Vancouver-based Brantwood Consulting, and an expert in green building—was invited to speak at a meeting of the Canadian Construction Association. Her presentation touched on the British Columbia Construction Association’s report, *A Study on the Risks and Liabilities of Green Building* and argued that rating systems such as LEED are as much a hindrance for those building green as they are guides for better building practices.

Goodland contends that the domestic construction industry desperately needs an innovation strategy to effectively translate client expectations for green buildings into real, bricks-and-mortar solutions. She suggests that the crux of industry’s problem with green building is the overarching desire by clients of all stripes—public and private sector—to reduce greenhouse gas emissions and improve energy efficiency.

"Rating systems are weak on energy efficiency and silent on GHG emissions," she wrote in a follow-up article published by CCA. "As a result, they are complex, expensive and difficult to enforce. The standards are also out of sync with the construction sequence. They require post-occupancy data collection to continue long after the building is finished, so you don’t know if you have met the standard until it is too late."

Compounding the problem she says is the fact that energy standards rely on performance outcomes that are dictated by building occupants, over whom the builder has no control.

an expert responds
The solution to such problems, says Goodland, is not for government to push for higher certification standards, but to refine existing building codes to give the industry the flexibility, fairness, comparability and enforceability to better manage environmental performance. Meanwhile, she argues that contract documents need to be stronger and procurement processes less concerned with price and more with value.

Change is coming fast, and construction must keep pace. For too long, innovation has been on the industry’s back burner, and Goodland argues that demand for green building and clean technologies will expose that shortcoming. The City of Vancouver, for example, is aiming for all new buildings to be carbon neutral by 2020. How can such a development occur if the entire industry is not fully conversant in green technologies and processes?

Goodland suggests that construction innovation with regard to green technologies might occur in two ways. From within, the industry would do more to embrace emerging clean technology and low-carbon economies. From outside, the R&D community would interact with the building industry to ensure easier integration of their designs. She also advocates improved information sharing, reduced regulatory barriers to innovation, increased support for R&D, and a new human resources action plan that promotes improved training in green building.

“As the world becomes more connected and trade more open, the export opportunities for Canada’s construction businesses increase,” says Goodland. “Canada has the potential to be a crucible for new ideas and techniques and a shop window for leading-edge city building and sustainable development. While some construction activities may not be as mobile as other industries, intellectual property, technical skills and professional services can be readily exported. Building products and the expertise associated with their assembly and integration are also eminently transferable.”

According to Goodland, the time is now for a new innovation strategy in construction that enables construction businesses to align with green-building trends and leverage opportunities, and which supports the development of new products and skills to manage the risks and liabilities associated with the new technologies and methods presented by the green-building trend.

The risks and liabilities of building green

Continued from page 15

3. Confirm the length and scope of any intervention

Parties are occasionally directed to remain involved in a project until a building achieves final certification. Confirm precisely the length of time your services are required, and build into your fee the cost to provide such services.

4. Protect against claims for negligence

When certification fails, parties that position themselves as experts in green building or design may become targets for claims of misrepresentation or negligence. Verify whether your insurance coverage excludes protection against claims for the negligent design, installation or construction of green buildings and their features.

5. Define key terms

Green means different things to different people. Ensure every party in the process understands exactly what outcomes are to be achieved. Never advertise or represent a project as third-party certified until final certification is achieved.

6. Ensure all parties know how to build green

Subtrades, suppliers and manufacturers play a critical role in green building. Specialized equipment must be built and installed to precise specifications to ensure such machines function properly and contribute to the overall goal of achieving energy and water savings. More education for everyone can help ensure green construction projects proceed smoothly.

7. Demand standard construction documents

Governments that demand certified projects can help industry meet current and future standards. Government should ensure that the largest number of competent parties possible is able to bid on (and win) green-construction projects. Moreover, standard construction documents such as those issued by the Canadian Construction Association and the Canadian Construction Documents Committee can help ensure that companies can participate in green building projects without assuming undue levels of risk.
Brownfields are the NEW GREEN in Waterloo Region
sweat-and-toll factories that drove the local economy. In those days, generations of men toiled inside, manufacturing everything from leather for the British Empire to rubber for the insatiable North American automotive market. As the men worked, the land beneath these behemoths of construction was becoming increasingly contaminated; yet it would only be a matter of time before it became valuable real estate.

It’s a story told in many communities across Canada. During the working life of these factories, industrial pollutants leached into the soil or permeated the buildings that eventually posed risks to human health and rendered these now-empty shells unfit for inhabitants. Yet, as cities grew, these industrial sites were no longer located on the outskirts of development. Now, these dormant giants were situated on prime real estate in the heart of thriving communities. These brownfields, as they are called, have become the darlings of forward-thinking developers and municipalities who are willing to re-think—and act on—cleaning them up.

But it’s not for the faint of heart. Converting brownfields into desirable commercial or residential properties is only for the boldest of developers who are willing to take the chance on the meticulous environmental assessments and stringent clean ups that are rife with unknowns. But as brownfield remediation becomes an important component of preserving the local environment, municipalities are stepping up to the plate with financial incentives to partner with developers who are willing to take on the renewal and revitalization of these properties.

No one knows how many brownfields exist in Waterloo Region, but “based on previous uses there is the potential for there to be a significant number of potentially contaminated sites across the Region,” says Amanda Kutler, the Region’s Acting Director of Community Planning. “Many of these potential sites are located within the Central Transit Corridor and rapid transit station areas, where intensification and significant transit investment is planned. The redevelopment of brownfield sites will play an important component in achieving density objectives and contributing to a vibrant community.”
“Things move so fast, and value engineering is key to the success, so you can’t wait a month for an inspection. Everyone wants to make sure it’s done right at every step.”
Breithaupt Block: betting on being in the right place at the right time

Breithaupt Block is the latest brownfield development to come onto the market. Located on prime real estate in Kitchener at the corner of King and Breithaupt streets, its remarkably friendly presence signals the continued revitalization of Downtown Kitchener and shows the confidence that major developers have in city’s newly named Warehouse District.

The $35-million redevelopment is turning the six industrial buildings into 176,000 square feet of office space for knowledge workers. It’s a stark contrast to the site’s original workforce, which, in 1902, manufactured rubber footwear for the Merchants Rubber Co. As the years went on, buildings were added to the site and the business focus changed to making rubber automotive parts for Uniroyal and then for Collins & Atikman Corp. In 2008, the new owners, International Automotive Components group, shuttered the plant, leaving behind 1200 tonnes of massive machinery bolted to hardwood floors.

But with the success of another brownfield development, The Tannery District, located nearby at Charles and Victoria streets, the Perimeter Development Corporation and its partner, Allied Properties REIT saw the Breithaupt Block as a key property in the growing transportation and technology hub. Indeed, the Region of Waterloo’s central transit hub will be built next door to the Breithaupt Block, providing commuter convenience to the buildings’ future tenants. In May 2012, Allied Properties extended their presence in Kitchener by purchasing the Tannery District for $61.57 million from Cadan Properties, the original developers.

Reg Levesque, partner of Zehr Levesque Construction, knows both the Tannery District and the Breithaupt Block projects well. It’s his team that is responsible for seeing the conversion of the factory buildings into fully modernized office space that features century old brick wall along with original post and beam construction.

“It was a crazy project,” laughs Levesque. “The building was so full of big machinery you had to walk sideways to get through a room. It took months to clear out the machinery, which we didn’t do, before we could get in and start sandblasting and knocking out walls.”

As Zehr Levesque’s team renovated and restored the buildings, their majestic proportions were revealed. Intense sandblasting of the interior showcased century-old timbers and brickwork. Soaring 17-foot ceilings and massive post and beam trusses spanning large open spaces became filled with light as additional windows were installed. What was once a dingy factory is now exactly what the “brick and beam” creative class is seeking in modern office space. It is the ultimate in “reduce, reuse and recycle.” Today’s knowledge worker could easily find herself in a light-filled boardroom where her great grandfather once toiled making rubber.
When working on brownfields with century-old industrial buildings, you never know what you will find, says Levesque. “It’s always a huge risk for the developer. There are so many unknowns in a project like this but we work through them. The City of Kitchener has been great all along.”

Levesque knows that with old industrial buildings it is better to have the building inspector come by weekly for walkthroughs, which Levesque personally conducts. “Things move so fast, and value engineering is key to the success, so you can’t wait a month for an inspection. Everyone wants to make sure it’s done right at every step.”

The City of Kitchener is keenly interested in this brownfield development as it provided $600,000 in tax rebates (not to be paid until the project is complete and reassessed for tax purposes). The Region of Waterloo kicked in another $953,000 of tax rebates. This isn’t found money: the Breithaupt Block contamination clean up cost the developer $1.6 million.

**Good for taxes**

In return, the City will collect an estimated $228,000 annually in property taxes when it is completed, up from a paltry $27,000 per year when the buildings sat empty, as well as having an influx of knowledge workers into the downtown core as the Breithaupt Block fills up. This joint Region of Waterloo and the City of Kitchener program that helps developers finance the cleanup of contaminated industrial sites is working well: last year their first joint project was the Tannery District and it won a Brownie Award for the best overall development of a brownfield in Canada. “Developers in this community have taken on some challenging projects with incredible results,” says Kutler.

In the meantime, several tenants are preparing to move into the almost-finished buildings at Breithaupt Block as Zehr Levesque’s team continues work on the rest of the site. The valuable anchor tenants, like Google, Communitech and Desire2 Learn that are found at the Tannery District, have yet to be announced, but major companies seldom broadcast their intentions, and rumors abound it may be another international high tech tenant. But no one is saying and it doesn’t affect the work the ongoing construction of turning an old unused building into a beautiful, fully modernized—but still old—class 1 office space. In Waterloo Region, brownfields are the new green.
In our last issue of the Journal, we covered a series of stories relating to procurement. One of the stories we weren’t able to include in that issue was a participant-observation piece in which our senior contributor Angela Pause spent an afternoon in a general contractor’s office while the staff there was closing a major tender.

Angela’s account of that experience appears below.

Story and photos by Angela Pause
Seventeen minutes of chaos
Closing a job in a general contractor’s office

With 17 minutes left on the clock, Melloul-Blamey’s (MB) construction bid for Wilfrid Laurier University’s Athletic Centre addition has yet to be delivered. Chetan, the “closer” who is responsible for personally handing the bid over to the WLU staff prior the 3 pm deadline, has yet to check in with the MB team. It’s crucial that Michelle, the MB estimator in charge of this particular bid, be in phone contact with him so she can relay MB’s final price. Chetan’s job is to write this number down, name the two main subtrades, and then hand the whole bid package to WLU’s purchasing committee representative ahead of deadline.

The clock strikes 2:45 pm when Chetan finally calls in. He calmly tells Jeff Shantz, MB’s vice president of project development, that he’s been held up trying to find parking at the uptown Waterloo location. He doesn’t seem flustered, which, according to the nine people sequestered in the upstairs estimating room at MB’s North Waterloo office, is indicative of Chetan’s usual unflappable demeanor. It’s a character trait that proves useful in the high stress situation of a closing, but everyone knows that Chetan is cutting it too close for comfort. He should be in the WLU office by now. The clock is ticking.

Meanwhile, at the Melloul-Blamey offices, the four phone lines are ringing constantly as a team of four project coordinators and estimators quickly jot down figures from subs who are calling in their numbers. With scraps of paper in hand, they bring the figures over to Michelle who is standing at a computer inputting the figures. The software automatically selects the lowest bid and plugs it into what will become the final Melloul-Blamey quote for the WLU’s Athletic Centre addition.

The cavalry arrives

At 2:48 pm, Chetan calls in to say he’s found the building and has parked. An audible sigh spreads across the MB office. Mary Cathryn, a project coordinator, has just taken another phone quote from a local masonry firm. Michelle enters that number, while Albert, MB’s chief estimator, is checking the lead letters that have come in the day before that give MB the heads up which trades will be providing quotes on this job. This frantic phone calling has been going on since 2:35 pm, when Jeff unleashed the cavalry: his four-person phone team in charge of gathering last-minute quotes from the subtrades. Had they started any sooner, they would have been wasting their time, says Jeff. The trades literally wait until the last few minutes before submitting their numbers. Even then, some will call twice within a few minutes, offering a new lower figure each time. If they meet the deadline, their new price will make it into the estimating software. If it’s the lowest price overall, it will be the one the software selects as part of the final quote.
Meanwhile, Bernie Melloul, the president of MB, is manning the four fax machines that have been spewing out paper in a steady stream for the last 20 minutes. Bernie has been seconded from his regular duties because the team is short a few bodies due to summer holidays. On a closing day everyone pitches in, including the boss.

**Brevity rules**

It’s 2:54 pm when a 14-page fax comes in from a sub. Somewhere in all the verbiage is the dollar figure that Michelle needs. Bernie shakes his head in disgust. Clearly this sub has no concept of the controlled chaos that makes up closing time at a major general contractor’s office. What the estimators need is a simple dollar amount, the name of the person providing it, and the assurance that the quotation priced is as per plans, specifications and addenda. Brevity is the soul of efficiency on these days. This trade would have been far better to have sent a brief but detailed lead letter a couple days before the closing that shows the sub knew the project particulars and would submit a quote. Then, on the day of closing, just send a one-page fax with the dollar figure prominently displayed—just like all the other trades do when faxing in quotes. The 14 pages have jammed up the fax line, but there are three others to take up the slack. If it was a ploy to block other bids via fax it failed. No one is impressed.

Meanwhile Chetan has been making his way up to the fourth floor of the King Street building, while simultaneously talking to Albert on his phone. Albert tells him that they have to synchronize clocks with WLU’s; if Melloul’s office clock is even a few seconds slow, it could mean a missed bid.

At 2:55 pm, a sub calls in with a price, but he wants to talk to Michelle first. “Too late,” she says, as she tallies up the final bid. Any tradesperson who requested to talk to Michelle personally during this last hour has been rebuffed by one of the team. She’s too busy; and she knows that most of the time they are simply fishing for pricing information so they could be the lowest bidder. She’s not biting. The trades hoping to “work with them” at this very late stage of the game are simply encouraging bid peddling. And while the people at Melloul-Blamey can’t control the actions of trades or suppliers, they can enforce their own rules of personal conduct. No trade talks with the estimator at this late hour. He’ll just have to put down his best price and hope for the best.

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**Five ways subs and suppliers can help at closing time**

**one**

Submit a clear and detailed lead letter several days before the closing that indicates you intend to bid and that you have read all addenda. Be sure to list the addenda so that the estimator knows you have read them all and that you will deliver a price as per plans and specifications.

**two**

If you have your price, remember that you are only one of perhaps hundreds of bids coming in. Stalling your bid up until 15 minutes before closing is ludicrous, as your quote may not be processed in time.

**three**

If you are going to email your quote, do so at least 30 minutes prior to closing. Emails need to be opened, printed and inputted into the system separately than faxes. They take three times as long to process and generate extra work, often resulting in the bid getting missed.

**four**

Fax only one sheet with your price. Save the pages of clarifications and legal jargon for later. No one has time to read details. The general’s team needs to know only that the quote provided is per plans and specifications, to see the submitter’s name and confirm that the subs team has read all the addenda.

**five**

Check to make sure the fax is fed properly into your machine. The MB team received several blank pieces of paper when a sub misfed its quote into their own fax machine.
Final quote

A minute later, Jeff checks for emails to see if any bids have been sent electronically. Everyone hates when a trade emails their quote, as they need further processing. Someone has to go to a different computer in a different office, and the email has to be opened, read and printed out. It’s a waste of precious seconds. Antiquated as they may be, fax machines, with their instant paper delivery, have the jump on email during a frantic closing.

At 2:57 pm, Michelle gives the final price to Chetan. She asks him to repeat the number. Even one dollar off could mean the difference between low bidder and second place. Worse, a wrong digit could mean the company has inadvertently and drastically underbid the job and will be on the hook to perform the work for its stated price. For such a seemingly frantic, last-minute event where anything can happen, every number must be closely examined. That’s all that counts now.

Meanwhile, Chetan is not yet at the fourth floor, but he’s still on the phone with both Albert and Michelle simultaneously. Michelle tells him he has 20 seconds left. Everyone at MB is staring at the clock’s second hand as it sweeps inexorably towards 3 pm.

The phone goes dead.

Michelle looks around to her colleagues. “I hope he got in, there was only 10 seconds left.”

Hit or miss

What happened on July 5, 2012 at the offices of Meloul-Blamey Construction was far from unusual. It’s just the way a tender closing goes at a general contractor’s office. It is a massive, all-hands on-deck, manning-the-phones effort with people scribbling down numbers and human closers stationed at the tender closing site waiting on a phone for the final quote from the estimator so they can submit it just seconds before the deadline.

To make this particular afternoon even more interesting, the WLU bid was the second closing of the day for the Melloul staff. An hour before that bid closed, Albert and the rest of the cavalry had entered a bid on a $10-million elementary school project in Milton. The same hurried phone calls, whizzing fax machines, confirmation calls and call-backs absorbed the nine MB employees as they rapidly assembled the final numbers for Albert to input into the computer, which then spewed out a figure. It would also name the major subs whose bids were lowest. Julie, the MB closer for the Milton school job, was already stationed outside the Milton tender accepting location, pen in hand, waiting for either Albert or Michelle to give her the names of sub trades who bid lowest and the final price tag. Dozens of phone calls between various sub trades and Melloul-Blamey’s calling team resulted in Albert announcing the official

Since subtrades and suppliers have been burned before by other contractors and competitors, they close ranks until time almost runs out. Ironically, some trades want to give prices earlier, but their suppliers, who are quoting to all the other same trades delay in providing pricing.
MB bid for Milton Elementary School #7. At 1:55 pm, Michelle told Julie to write down $10,530,000; there were five whole minutes to spare on the clock.

At 2:10 pm, Julie called back. It had gone fast, the bids were opened on the spot. Melloul-Blamey was not the lowest bidder. They did not get the project. This meant Albert has spent the better part of two weeks preparing the bid with no success. No one in the office even murmurs a sigh of disappointment. This is the reality of the construction business. You win some, but you lose a lot more.

“Usually it’s about a 10-percent win rate,” said Jeff. “But last year we had a 25-percent success rate. That’s the way it is.”

**Burned once, twice shy**

Why it’s this way is because everyone from the suppliers to the trades are afraid and unaware. They are afraid that bid shopping and bid peddling will come into play and they will be undercut by a competitor if their prices get out too soon. They are unaware just how little time there is on closing day for the general contractor to assemble the hundreds of numbers, since everyone is literally waiting to the last few minutes.

Bernie says he hates the term bid shopping, but he knows that is what is prompting the sub trades to delay quoting. Since subtrades and suppliers have been burned before by other contractors and competitors, they close ranks until time almost runs out. Ironically, some trades want to give prices earlier, but their suppliers, who are quoting to all the other same trades delay in providing pricing. The industry seems to accept that games are played, favours are called upon and unspoken agreements are honoured, yet no one wants to openly acknowledge or address these issues. Instead they rationalize this murky behavior. It’s how the construction business is done. It is a broken system that is made to work, but it certainly isn’t the most efficient, unless cranking up blood pressures and heart rates are part of the process.

To address this skewed reality, the people at Melloul-Blamey have developed thick skins and skilful professionalism. It’s akin to a Shakespearean play where everyone knows their roles and sticks to the script. By ensuring a ready team of estimators, project coordinators and senior staff are prepared to man the phones and call the trades up until the last five minutes before closing, MB continues to reinforce the tardy behaviour of some suppliers, who have delayed providing the subtrades with material quotes. Trades, by being suspicious of everyone, play their role as last-second contributors. No one has a solution. It’s all too entrenched.

**Gradual improvement**

But there are ways to improve the process, says Jeff. He is a proponent of ethical practices and is happy that the GVCA is offering an ethics course that will provide an ethical baseline that everyone can work from and adhere to. These ethics are an agreed set of rules, when broken, will result in the natural penalties (and perhaps legal ones) that society imposes upon those who break the rules. It’s how society functions. You can see it in action during closing time. Those trades, who are professional, reliable, and thorough and have built a relationship based on trustworthiness and ethical behavior, are the first to be called. If there is uncertainty on the estimator’s behalf about something in the lead letter, the trades who have proven to be ethically sound merit a clarification conversation first. Those trades that have little regard for ethics or professionalism get a perfunctory phone call. No one bends over backwards to chase them down. Because Melloul-Blamey’s reputation is on the line, and the firm is legally obligated to meet the contract should they win it, staff naturally want to work with trades and suppliers that they can trust. Low prices and trustworthiness are not mutually exclusive traits, Jeff explains.

Yet bid shopping and bid peddling are ongoing problems, and only gets worse as economies tighten. In a small sample 2008 survey of Canadian and US contractors, some 80 percent of respondents said they “know of others who have engaged in bid shopping or peddling.” More significantly, almost a third admitted they have bid shopped or peddled themselves.

Naming trades in bids goes a long way to alleviate post-tender shenanigans, as well as adhering to ethical standards. This way there is little chance to switch up trades for a lower quote after the fact. As it is, if MB wins the WLU bid, Michelle has to submit names of all the trades by a 4 pm deadline. Most major projects require the main subtrades to be named at the bid time; but there is always room for abuse. It’s a gradual improvement.

While the construction industry continues to improve its processes in many ways, it still struggles with ensuring transparency and fairness in the bid process. But for a few hours on July 5, 2012 in the offices of Melloul-Blamey, two important bids were submitted in a professional and ethical manner.

As for Chetan, he calmly delivered the bid to Wilfrid Laurier University with five seconds to spare.

By the middle of the following week, Jeff Shantz received a short email from WLU’s consultant. Melloul-Blamey Construction did not have the lowest bid. They struck out, again. But, as Jeff says, there is always the next one.
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Fall 2012

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GVCA second annual hockey tournament

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Safety Group information session

October 11
Oktoberfest 2012

October 13-19
GVCA educational meeting in Berlin

November 8
Safety Group information session

November 9
Random Act of Kindness day

November 27
WinC event

December 6
GVCA Christmas lunch

GVCA education calendar, Fall 2012

September 12, 26
and October 10, 24
Basics of Supervising:
Home Study Program & Exam
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September 18 & 20
First Aid Training

September 25
Time Management Seminar

October 2–November 6
Basic Construction Methods and Technology
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We’ll talk safety. It’s a huge issue on every jobsite. Sadly, try as we all might to curb accidents and protect our workers and assets, accidents happen. We’ll explore some current thinking about safety, describe some best practices, profile a few programs and products, and perhaps offer some atypical perspectives on how to promote safety on the job.

Here are some of the stories we’re looking at:

**In case of an accident…**

Accidents have human costs. That goes without saying. But they also cause untold damages to businesses. Under the circumstances, such damages may be considered secondary, but they are nonetheless significant. As a business owner, how can you manage the damage to your reputation and your bottom line caused by an accident—and continue to demonstrate that your company is a preferred employer?

**10 ways to improve your health & safety record—today**

Who couldn’t use some tips to improve their health and safety record? We’ll talk to some experts about a handful of best practices that everyone should adopt today.

**Improve your relations with WSIB**

No one wants to work with the WSIB claims consultant, but the fact of the matter is that many business owners have to. Here are some suggestions to ease the process a bit and ensure you’re doing everything you can to bring an injured worker back into the workforce ASAP.

**What I learned at the GVCA Safety Group**

We’ll talk to a couple of members of the GVCA Safety Group to hear about the really useful things they learned during group meetings. Who knows? Maybe you might learn a thing or two, too.

**What’s COR all about?**

The Infrastructure Health and Safety Association just launched the Certificate of Recognition program in Ontario. What’s it all about? We’ll describe this important standard and explain why you need to consider getting certified.

Look for the next hard copy issue of the *GVCA Journal* this November, and be sure to contact Laura Benedict at 519-622-4822, ext. 27 to book an advertisement today. But don’t delay. Spaces are booking fast!
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