



General Contractors Association of Ottawa Newsletter

Building a Greater Ottawa

Presidents Message By: Tim Pruner, President

In spite of the trying weather this Spring and Summer I hope everyone has enjoyed some well-deserved rest and relaxation, as well as some quality time with family. Our GCAO golf tournament and semi-annual general meeting at Eagle Creek, on June 16, was a great day for all participants and the weather managed to cooperate for the most part. Congratulations to the Fuller team of: Bill Fuller, Sam Fuller, Leigh Fuller and Joey Kroeger for best net foursome. Closest to the pin was Rob McCulloch. François L'Abbé took the longest drive competition and the most honest foursome was: Jim Tsarouhas, Rob Hedden, Mike Doll and Michael Assal.

It has been another year of onerous supplementary conditions and other tendering practice issues that continue to increase the risk of doing business for our members. This year we made a difference, in many cases, by addressing the issues brought to us by our members, through factual and professional correspondence, negotiations and meetings with the Owner's representatives. We will continue to be your advocates, but we need the cooperation of our members, to bring the issues to our attention. Russell Grass is your contact for any tendering practice issues and he can be reached at r.grass@gcaottawa.com. Please see the section on tendering practices in the newsletter for an update.

We met recently with the City of Ottawa, who presented the latest update on the VPM (Vendor Performance Management) system. The City intends to apply a 10% performance factor (VPM score) to all tenders starting January, 2018. Russell will provide more information in the Tendering Practices section of the newsletter. Andy Smith is the Acting Manager for the Design and Construction Department, as Marco Manconi is working exclusively on the Ottawa Library project. The City will launch a new Portfolio Management Tool software system (CPPM) in April, 2018. The program will allow for the sharing of project information between the City staff and the contractor, such as RFI's, CCN's, SI's, etc. Contractors will be able to upload information as well. Sharepoint will be utilized as an interface platform between the City and the Contractor. The City intends to run training sessions early in the new year.

Presidents Message continued

The City has agreed to start providing a list of upcoming tenders every few months. I trust everyone will find this useful for planning purposes.

We look forward to seeing all of our members at our upcoming AGM on January 24, 2018 at the OCA Building and our signature event, our Annual Cocktail Party, at the Rideau Club, on March 8.

AGM- January 24th, 2018

Where: OCA Education Center

When: January 24th, 2018 at 5:00 PM

Event Details: The evening will consist of a cocktail hour complete with drinks and hors d'oeuvres. We will have a guest speaker for this event, **Mrs. Mary Van Buren**, the new president of the CCA. Please follow the link below for more information about Mrs. Van Buren : <http://www.cca-acc.com/press-release/mary-van-buren-starts-as-cca-president/>

A business session on the 2017 association activities will follow. There is no need to RSVP to this event, we hope to see you there!



GCAO Cocktail Party – Rideau Club – March 8th, 2018

Where: Rideau Club, 99 Bank Street, Ottawa

When: March 8th, 2018 at 5:30 PM

Event Details: The GCAO's biggest event where you get to mingle, renew connections, make new ones and be part of the Association's most popular event featuring media and local leaders from Ottawa's business and municipal communities.

Reserve the date!!!





Golf Tournament

2018 GCAO Golf Tournament & SAGM

Tim Pruner, GCAO President, would like to invite all members to attend our SAGM/Golf Tournament on

Friday, June 22nd at Eagle Creek
<http://eaglecreek.clublink.ca/>

RSVP to Alison Hogan at a.hogan@gcaottawa.com
or 613.913.7975 .

Location: Eagle Creek Golf Course, 109 Royal Troon Lane, Dunrobin

Date: Friday, June 22nd , 2018



Tendering Practices By Russel Grass

During the busy summer months of this year, a few tendering practice issues were brought to our attention along with some updates from key buyers within the City of Ottawa. It is our plan to meet with the University of Ottawa and the CECCE to review their tendering practice issues over the past year, as well as open a dialogue with them to assist with future tenders. Please see below summary of tendering practice issues and updates over the past few months:

Ottawa U – S.I.T.E. Building

- The University of Ottawa issued a lump sum tender
- An addendum was issued well into the tendering phase indicating that the University of Ottawa was going to implement a single envelope post qualification rating system
- Post letter sent by GCAO, the University of Ottawa changed the requirement of a single envelope submission to a two-envelope submission
- The University of Ottawa noted that they will try to utilize pre-qualification rather than post qualification as it is not their intention to make post qualification the norm

CECCE – Ecole Marius Barbeau Phase 1 tender

- The CECCE issued a tender with various tendering practice issues
- The first issue with the tender was closed door tender openings, we advocated for a public tender opening practice to be implemented. They ultimately posted the results on-line and did not have a public opening
- The second issue was that the CECCE requested a full breakdown within one hour of tender closing. We advocated for 24hrs
- The third tender issue was the inclusion of an unacceptable SGC. It inappropriately attempted to shift existing condition risks to the Contractor based on a generally superficial review of the site conditions at a job showing. This clause is unenforceable and should be deleted.
- The CECCE did not respond to our letter

Carleton University

- The GCAO issued a letter to Carleton University in the spring of 2017 stating that the points system utilized for the prequalification process was unfair to contractors who have never been qualified with Carleton University. i.e. 10 points were awarded if you have previously completed work with Carleton University. In August 2017, Carleton University released a memo stating that their purchasing bylaws have been changed to no longer award these points to contractors who have previously worked with Carleton University. According to Carleton University, all future pre-qualifications will not contain this clause.

Tendering Practices continued

OCA Liaison – Tendering Practices

- In late October the GCAO tendering practices committee attended the City of Ottawa meeting with the Ottawa Construction Association. A number of contractors have complained to the OCA and GCAO tendering practices committee's regarding inconsistent change order markups. The issue at hand is that the City of Ottawa is inconsistently interpreting their contract change order markups. The common theme is that the City of Ottawa is limiting the General Contractor's markup to the sub-contractor's costs only (the GC is not allowed to apply markups as per the industry norm, subcontractors cost plus the sub-contractors allowable markup plus the GC's allowable markup on the total value of the change). The OCA & City of Ottawa agreed to setup a sub-group to review the markup issues and the GCAO tendering practices committee has one representative who will be involved in this sub-group.

City Of Ottawa VPM

- The GCAO met with the City of Ottawa in early October for a review and update of the City's VPM program. A few of the highlights of the meeting are as follows:
 - The appeal period has been changed to 15 Calendar/Business Day's from 20 days
 - New wording will be added to take into account corporate acquisitions and joint ventures
 - The City of Ottawa is proposing to implement a phase-in approach in the evaluation of bids with VPM weighting. The City is proposing the following weighting and timelines:
 - 10% commencing January 1, 2018
 - 20% commencing January 1, 2019
 - The City of Ottawa is revamping some of the key performance indicators based on feedback from Industry and City Managers. The City is working on making the entire process more consistent and will review yearly to ensure current.

City Of Ottawa PIMS (project information management system)

- The City of Ottawa is currently finalizing details on the rollout of their new PIMS software. (The anticipated rollout will be spring of 2018)
- This system will manage all aspects of the "paper work" for projects
- The software should be able to track invoicing, shopdrawings, change orders, etc...
- Constructors will be able to access information for their specific projects in the City's proprietary software through SharePoint in Outlook
- There will be no license or annual fee to contractors just the requirement for the contractor to have the program SharePoint

The City of Ottawa will be holding industry training sessions during the roll out this spring, the City will provide updates as the software is closer to completion

News Topic By Yves Beaudoin

Ontario raising minimum wages: We all heard about it! And it's coming fast. Ontario's Liberal government will raise the minimum wage to \$15 an hour by 2019. The plan is to bump it to \$14 an hour in January 2018. This will affect our industry at different levels. The smaller the business is, the bigger the increase will affect them. For example any company who are renting labour force from agency (like "Labour Ready") will see an increase in their labour rates. The result will probably be some job losses for some workers and it will raise the final bill for the client.

Other changes will be coming with the new law but I'm not sure if the construction industry will be an exception for those rules like we are in certain area concerning employees.

Examples:

- Seasonal employees will be given equal pay to full-time employees for doing equal work.
- Once an employee works for a company for five years, they will be entitled to three weeks of paid vacation.
- All workers will get 10 days emergency leave per year (2 of them paid) which was only applying for company with more than 50 employees.

At the end of the day, this will just create more constraints to business owner.

GCAO Website

Over the first part of this year the Association's website has seen regular updates provided as information becomes available for the membership such as newsletters, reports and announcements. The Association's revenue based advertising has been implemented on our website with INTACT surety being our first advertiser. The Association's site traffic has been steady throughout the first part of the year, on average we have received between 400-480 unique visits per month. If members have pictures of current or past project, please forward them to the association. We would like to continue the fresh look of our site with current and relevant content.



Please continue to visit our website at www.gcaottawa.com for current news and information

NRDP

We would like to remind all GCAO member firms of our NRDP (Non-refundable deposits program for tendering document). We would like to encourage all member firms to participate in this advantageous program.

Some of the key highlights are as follows

To direct the cost of tender document production to appropriate party - The Owner

To provide each bidder with a maximum of two sets of tender documents

To ensure that the tender documents are recycled and redistributed to the successful contractor

To convince all owners to refund bidders the deposit of their tender documents upon the return by the unsuccessful bidders.

The procedure of the program is as follows

1. the Owner/Consultant, despite being contacted by us regarding our concerns, declines to refund the deposits
2. the non-refundable charge is in excess of \$100.00 per set of documents
3. a bidder has made a request to GCAO to invoke its policy;

Please Contact our director Shawn Berube at sberube@rehein.com to implement the program on your next eligible project.

As many of our members are now printing documents within their own firms, we would like to advise all members that these internal costs can be recouped via the NRD policy. We would like to encourage all member firms to provide the cost for a copy of a full set drawings and specifications to the NRDP Director.

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MANDATES

Tendering Practices

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Integrity and Ethics Award

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Non-Refundable Deposits

Shawn Berube

Treasurer

Chris Fournier

Nominating Committee

Gary Codogno

Newsletters/Communication

Yves Beaudoin

Entertainment

Bruce Norman

Membership

Gary Codogno

BILDCO Ottawa Joint Committee

Gary Codogno

Russel Grass

Web Site

Bruce Norman

Executive Director

Alison Hogan

Projects Awards Program

Gary Codogno

OCA Standard Practices Committee Liaison

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OGCA Liaison

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