



CCA UPDATE REPORT

(March 2007)

The following is an update report on new and on-going CCA initiatives including highlights from the Council, Committee and Board meetings convened during the 89th Annual CCA Conference held March 5-9, 2007 in Puerto Rico.

CCA Establishes 2007-08 Federal Government Lobby Priorities

With input from its Member Associations at a special forum convened during the recent Annual Conference, CCA established its federal government lobbying objectives for 2007-08 as follows:

Human Resource issues:

- Promote and encourage federal and provincial governments to live up to their promise of unfettered labour mobility throughout Canada by April 2009.
- Continue to promote national apprenticeship standards throughout Canada.
- Continue to pursue reforms to the immigration system that will facilitate the entry of construction workers to Canada including working with provincial Member Associations to expand Provincial Nominee Programs.
- Seek broader application of the federal Apprenticeship Job Creation Tax Credit and Apprenticeship Incentive Grant beyond simply Red Seal trades to provincially-recognized apprenticeable trades.
- Lobby for EI and/or tax incentives and assistance for temporary relocation of construction workers.
- Continue to oppose efforts to introduce amendments to the Canada Labour Code that would prevent or severely restrict the use of replacement workers during a lockout or strike.

Environmental Issues:

- Work with PWGSC and Environment Canada to develop strategies to increase waste diversion and increase recycling capacity within the industry.
- Work in partnership with the Canadian Trucking Alliance to obtain an accelerated capital cost allowance rate for new lower emitting diesel-powered engines.

Long-term financing of infrastructure:

- Following the release of the 2007 Budget, monitor the implementation of the 2006 and 2007 allocations for infrastructure, and push for increased infrastructure investment during a possible election campaign leading up to the 2008 Budget.
- Comment on and monitor the “infrastructure fiscal imbalance” proposals.
- Press the federal government to make open, transparent procurement by provincial/municipal contracting authorities a pre-condition to federal infrastructure funding.
- Press for federal infrastructure investment objectives in municipal infrastructure, national highways and strategic infrastructure to stress the key principles of sustainability, transparency and accountability. With regard to the “fuel tax allocation”, seek some form of on-going dedication/designation.
- Continue to build alliances with such groups as the Federation of Canadian Municipalities (FCM).
- Work with the federal government and industry to better prepare the industry to participate in public-private partnership projects. Develop and promote industry recommended “best practices” regarding the use of P3s and other forms of alternate delivery to ensure transparency and accessibility in the procurement process.

Tax issues:

- Continue to press for reforms to the tax treatment of employer-provided vehicles.
- Seek reforms and/or greater clarity with respect to the recognition of income for provincial corporate/business income tax purposes.
- Seek reforms to the Employment Insurance (EI) rate setting process that will ensure that premiums are set on a truly break-even basis, equalize employer-employee contributions, and provide refunds to employers for over-contributions, among others.

Innovation:

- Work with the federal research granting councils to encourage more funding for applied research in construction and construction-related projects and programs, including the possibility of creating a research Chair in construction management and/or technology.

Federal Procurement:

- Finalize and execute the MOU with PWGSC recognizing the critical importance of plansrooms operated by Member Associations to federal construction procurement and formalizing their unfettered access and use of PWGSC construction tender documents including both plans and specifications.

Gold Seal:

- Where possible, promote Gold Seal as the industry's preferred standard for construction management excellence.

CCA Close to Finalizing MOU with PWGSC on Plansroom Access

CCA is very close to finalizing and executing a Memorandum of Understanding (MOU) with Public Works and Government Services Canada (PWGSC) that would guarantee unfettered access of plansrooms operated by CCA Member Associations to federal government construction opportunity information including plans and specifications. This would include the provision of complimentary hardcopy and electronic tender documents.

CCA Endorses New Electronic Procurement Guide

The CCA Board of Directors approved for publication a new CCA Guide on electronic procurement. The Guide is intended to provide advice and recommended best practices to bid-calling authorities who utilize electronic media for procuring their construction services.

CCA Joins Canada Green Building Council

On January 2nd of this year, CCA became the very first association to become a member of the Canada Green Building Council (CaGBC) under the Council's new associate member category. The CCA Board ratified a Memorandum of Understanding (MOU) between CCA and the CaGBC to formalize its relationship with the Council. This MOU will go into effect upon ratification by the CaGBC Board. It commits both organizations to work together in the areas of education, advocacy and lobbying, as well as the promotion of mutual events, and potentially accrediting LEED courses under the Gold Seal Certification Program. In addition, CCA has negotiated a partnership agreement with the CaGBC covering such matters as the costs and responsibilities associated with the joint delivery of "LEED for Contractors" courses by CCA Member Associations and the CaGBC.

CCA to Develop Construction Accounting Best Practices Guide

The CCA Finance Committee is developing a new CCA *Construction Accounting Best Practices Guide* that would address such topics as:

1. The importance of reliable financial statements - difference between audited vs. unaudited;
2. How construction industry invoicing and payment practices make straight accrual accounting impractical, i.e. percentage completion vs. completed contract method, and the need for clarity as to what the percentage completion calculation is based upon – i.e. costs, labour hours, etc.;
3. Impact of both types of reporting on work-in-progress and progress billings;
4. Under and Over billings and their treatment, i.e. separate line item or accrued liability or inventory;
5. Work-on-hand schedules – including this as a schedule to the accompanying notes;
6. Deferred taxes and the changing rules around their treatment on the Balance Sheet;
7. Disclosures around the pledging of cash or marketable securities to secure operating lines; and
8. Accounting for GST/HST and value-added taxes in general – the special timing rules associated with progress payments subject to certification and holdbacks

Feds Reviewing Bid Depository Use

Public Works and Government Services Canada (PWGSC) recently advised CCA that the Federal Government is reviewing its continued use of the bid depository system raising a number of questions and concerns. Since bid depository rules and procedures vary significantly from one province to the next, and given that there is a tradition of dealing with federal use of bid depository on a provincial/regional basis, the CCA Standard Practices Committee has decided to take the following steps:

- Seek responses to the federal concerns and questions from the various provincial/regional bid depository administrative bodies and CCA Member Associations and forward these to the Federal Government for its review and consideration;
- Take a pro-active role in assisting local bid depositories to address the federal government's concerns, including facilitating communications or meetings between regional bid depositories and the federal government; and
- Seek an update from the federal government on this review at the Joint CCA-Government of Canada meeting in April.

Board Accepts Membership Application from Edmonton Construction Association

The CCA Board of Directors having felt it had given both the Alberta Construction Association (ACA) and the Edmonton Construction Association (ECA) ample time to resolve their difference and given that a current impasse had been reached, decided to no longer postpone its decision on the direct application for membership from the ECA necessitated by its withdrawal from the ACA, by granting ECA's request.

CCA Strategic Plan Implementation Task Forces

The CCA Executive Committee established a number of Task Forces to come up with recommendations as to how to effectively achieve the various strategic objectives in the CCA's new 5-year Strategic Plan (2006-2010) adopted by the CCA Board last year. These recommendations are expected to be submitted to the Board at its next meeting in June 2007.

CCA Supports Expansion of Owner Representation on the CCDC

The CCA Board of Directors endorsed a proposal to expand owner participation on the Canadian Construction Documents Committee (CCDC).

New Pre-Purchasing Guides being Finalized

The CCA Standard Practices Committee is in the process of finalizing two new CCA guides on the issues of owner pre-purchasing of material and equipment and owner pre-purchasing of trade services. Both are expected to go before the June meeting of the CCA Board of Directors for endorsement.

Joint Venture & Subcontract Bidding Guides Ready for June

The CCA Standard Practices Committee is close to finalizing a new CCA Joint Venture Guide and a new Subcontract Bidding Guide. First drafts of these documents for consultation purposes are expected soon with the intent to seek Board endorsement in June.

CCA Participating in Front-Line Supervisor Project

CCA is participating with the Construction Sector Council in developing a national occupational analysis for front-line supervisors. The project results will form a major component of the training and certification solutions for skill shortages in this critical area.

Gold Seal Committee Develops Guide for Owners

The CCA National Gold Seal Committee is developing a Best Practices Guide for owners who wish to use Gold Seal certification as a condition of contract on their construction projects. The intent is to ensure that contractors can respond to such measures in an effective manner.

Guide to Doing Business in the United States Being Updated

The CCA International Business Committee is in the process of updating its 2003 publication entitled *Guide to Doing Business in the United States*. The current Guide deals almost exclusively with immigration issues and the cross-border mobility of people.

Past CCA Chair Barry Brown First Canadian President of CICA

2002 CCA Board Chair **Barry Brown** was elected the very first Canadian President of the Confederation of International Contractors' Associations (CICA) last November in Dubai.

2006 Audited Statements Approved

The CCA Audited Financial Statements for the period ending December 31, 2006 were approved at the CCA Annual General Meeting on March 9.

Appointments to Outside Agencies/Committees

Mr. **Bernard St-Louis** of Pomerleau Inc. was appointed a CCA representative to the Canadian Construction Documents Committee (CCDC) replacing Jim Wilson who has served with distinction for the past 5 years.

CCA Director of Government Relations & Public Affairs, **Jeff Morrison**, who also serves as the Permanent Secretary to the CCA's Environment Committee, was appointed CCA's representative to the Environment Committee of the Transportation Association of Canada (TAC).

CCA Welcomes New Members

The CCA Board of Directors approved the applications for CCA **Corporate Membership** from:

- **Essor Insurance, Investment & Counseling Inc.** in Montréal (QC);
- **McCaine Electric** in Winnipeg, MB;
- **ORBI Construction Group Inc.** in Laval (QC); and
- **Reed Construction Data** in Toronto, ON

The Board also approved the **Ontario Hot Mix Producers Association** as a new **Affiliate Member Association**.

Thank-You to Retiring CCA Board Members

The March 8th, 2007 meeting of the CCA Board of Directors was the last of the 2006-07 edition of the CCA Board of Directors and the last for the following retiring CCA Board members:

Jim Brown	2003	Bill McLean	1995
Bob Cameron	2004 & 1985-87	Cal Moon	2003
Murray Farmer	1992	Kelly Parker	2002
Lloyd Ferguson	1997	Tim Stanley	2005