

Manufacturer and Supplier Divisional Meeting

Thursday, January 18, 2018, 3.30-5.00pm

at VRCA, 3636 East 4th Avenue, Vancouver BC V5M 1M3

AGENDA

The Vancouver Regional Construction Association assigns the highest priority to full compliance with both the letter and the spirit of the Competition Act, and it is vital that this meeting be conducted in a manner consistent with that policy. During its meetings and programs, the Vancouver Regional Construction Association will not condone or permit any discussions—official or unofficial—of price-fixing, boycotts, refusals to deal, blacklisting, market allocation, supply restrictions or other anti-competitive activity. If, at any time during the course of the meeting, the Association staff or any member present believe that a sensitive topic under the Act is being discussed, or is about to be discussed, they will so advise the chair of the meeting and ask that further discussions cease. Attendees at this meeting should likewise not hesitate to voice any concerns they may have in this regard. Any discussion or commercial dealings with one's competitors may create the appearance of a Competition Act violation, even though none may exist. Therefore, such discussions should be avoided at all times before, during and after this meeting.

1.	Welcome and Call to Order <ul style="list-style-type: none"> a. Approve Agenda b. Approve previous Minutes – September 28, 2017 c. Address matters arising from previous Minutes 	Chair/All	3.30-3.35pm
2.	Recap - 2018/19 Manufacturer and Supplier Divisional Council election	Chair/Fiona	3.35-3.40pm
3.	Recap – M & S Division Terms of Reference	Chair	3.40-3.45pm
4.	Recap - 2017-2020 strategic plan <ul style="list-style-type: none"> • Focus on Educate / Advocate / Facilitate • How is success of VRCA's advocacy efforts measured? • How can Divisions contribute to the VRCA's advocacy efforts? • What it means to be an integrated member of VRCA? 	Fiona	3.45-3.55pm
5.	Status update - M & S Division discussions and actions in the last 2 years <ul style="list-style-type: none"> • What was discussed? • What has been actioned? • What is still to do? • What else needs to be done? 	Fiona/Jerome	3.55-4.40pm
6.	Summary – Next steps	Fiona/Jerome	4.40-4.45pm
7.	New business	Chair/All	4.45-4.50pm
8.	In camera (as needed)	Chair	4.50-4.55pm
9.	Adjournment (motion required to approve adjournment)	Chair	5.00pm

<p><u>PRESENT</u></p> <p>TS – Thomas Schmitz – Ischebeck Canada Ltd. (Vice Chair) NT - Nick Trahan, Innovior Construction (Vice Chair) MAC - Marc-Antoine Cuerrier, True North Labour AN – Alex Nuhiyev, True North Labour AW – Alex White, Can Ridge Industries YN – Yvonne Nichols, CP Distributors Ltd. CM – Craig Mitchell, Britco Construction GS – Graham Sibbald, Wylie Crump Ltd. FC – Fred Chen, Nilex Inc. DS – Don Singer, DSI JG – Jason Glue, Graham Construction SD – Sanjeev Dhillon, VRCA FF – Fiona Famulak, VRCA</p>	<p><u>ABSENT WITH REGRETS</u></p> <p>SM – Steve McConnell – CMW Insurance Services Ltd. (Chair) AK - Adam Kliewer, Brock White</p>
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<p>1. Welcome and Call to Order</p>	
<p>The Acting Chair, TS, welcomed attendees and called the meeting to order at 3.30pm.</p> <p>It was noted that VRCA expects all attendees to comply with the letter and spirit of the Competition Act as set out on the agenda.</p> <p>The Acting Chair asked that everyone introduce themselves. He also introduced JG, incoming Chair of the Board of Directors, who is attending each Division meeting to understand firsthand the issues affecting all members.</p> <ol style="list-style-type: none"> a. The Acting Chair asked for a motion to approve the revised agenda. Moved/seconded: GS/CM. Carried. b. The Acting Chair asked for a motion to approve the minutes from September 20, 2016. Moved/seconded: YN/CM. Carried. c. Matters arising from the previous minutes – FF noted that the previous (individual Division) meeting was in September 2016 (and followed by two Tri-Council meetings). Actions from September 2016 had been completed as follows: <ul style="list-style-type: none"> • VRCA had reviewed the possibility of issuing Outlook meeting invites to all M&S members to encourage meeting attendance, however, the approach would set up potential logistical challenges if members responded positively yet did not attend (or vice versa). • The Acting Chair suggested that a roster (sign up sheet) of those interested in attending meetings be maintained so the Chair (as well as VRCA staff) can connect with those individuals to encourage consistency of attendance. 	<p>Action: Divisional Council Chair and VRCA staff to review the new attendance roster circulated at each meeting and encourage those individuals to attend future meetings</p>

<p>2. Review of M&S Division’s Terms of Reference</p> <p>FF presented the Terms of Reference circulated as part of the meeting package, noting that its contents (approved in 2015 and 2016) were still relevant in 2017.</p> <p>FF clarified that per VRCA’s bylaws, the term “Council” refers only to the Divisional Chair and two Vice Chairs i.e. 3 people, and not the Division’s members at large. FF suggested that the terminology in the Terms of Reference be amended to align with VRCA’s bylaws.</p> <p><i>Comments/questions:</i></p> <ul style="list-style-type: none"> • Noted that the historical use of “Council” to refer to a Division’s members at large has confused some members and that the proposed amendment would help to address the confusion. • Noted that an individual meeting twice a year is not enough to keep momentum at the grassroots level. Suggest we introduce more meetings. <i>Agreed. We will revisit timing/frequency of individual and Tri-Council meetings when we debrief on the 2017-18 year and work with the Chairs and Vice Chairs in February 2018 to plan the 2018-19 Divisional objectives.</i> <p>Motion: That the Terms of Reference be amended to ensure that the use of the term “Council” is aligned with VRCA’s bylaws. Moved/seconded GS/NT CARRIED</p>	<p>Action: VRCA to amend the Terms of Reference to ensure that the use of the term “Council” is aligned with VRCA’s bylaws.</p>
<p>3. Presentation of VRCA’s 2017-2020 strategic vision and Q&A</p> <p>FF circulated an Executive Summary of the VRCA’s 2017-2020 strategic plan. See attached. Highlights:</p> <ul style="list-style-type: none"> • As a \$16B industry, construction provides 8% of BC’s wealth and employs over 225,000 men and women, making it BC’s employer in the goods sector. • The industry is changing rapidly in response to owners’ demand, changing regulation, industry demographics, technology etc. such that it needs to build faster, greener, cheaper and more productively than ever before. • This context informed the 2017-2020 plan that focuses sharply on small, medium and large members’ needs now and in future. <p>The plan comprises 7 strategic goals, 3 of which are to elevate to a new level VRCA’s industry roles - to Educate, Advocate and Facilitate – through evolution of existing and development of new programs and services.</p> <p>Specifically we will:</p> <ul style="list-style-type: none"> • Goal #1 - Educate – Foster a culture of continuous learning across the industry by providing world class technical and non-technical 	

<p>education and training.</p> <ul style="list-style-type: none"> • Goal #2 - Advocate – Foster an environment that encourages collaboration, innovation and adoption of standard practices in order to promote fair, open and transparent business practices across the industry. • Goal #3 - Facilitate – Enable connections and opportunities across the industry by providing a range of business-oriented programs, services and support that include first-class networking opportunities. <p>Note - Under the Advocate pillar, VRCA will evolve the Division meeting process to be more effective, re-instate VRCA’s Standards and Practices (S&P) Committee and engage public owners and consultants on industry issues with a view to working together collaboratively to find solutions.</p> <ul style="list-style-type: none"> • Goal #4 – Optimize the use of VRCA’s building as an important educational and promotional tool for construction best practices. • Goal #5 – Achieve full brand recognition as the premier Construction Centre of Excellence in Canada through VRCA’s programs, services and advocacy work. • Goal #6 – Lead by example through adoption of best practice board governance and operational processes and procedures that support delivery of VRCA’s vision and mission. • Goal #7 – Achieve long-term financial viability through exceptional leadership. <p>Comments /questions:</p> <ul style="list-style-type: none"> • The strategic plan is designed to support members’ growth and to be flexible enough to harness opportunities to support members as those opportunities arise. • This is a good plan; will details be shared with the broader membership so that they can plan on how best to support it? <i>Yes, VRCA is currently deciding how best to share the plan and the next level of detail with the membership.</i> • How will tenants be affected by the plans to review the future use of the building? <i>All tenants have lease agreements that will be upheld as VRCA proceeds to review how best to leverage its asset.</i> • The discussions at Divisional meetings are important; it is an opportunity for VRCA members to ensure their voice is heard regionally and at provincial and national levels, through BCCA and CCA. • The discussions at Divisional meetings ensure that VRCA is relevant to members. 	<p>Action: VRCA to finalize how to communicate the 2017-2020 strategic plan most effectively and to execute its decision</p>
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1. Industry issues and how VRCA is facilitating progress

(a) From Tri-Council meeting on June 27, 2017

FF summarized the outcomes from the Tri-Council meeting on June 27, 2017, that focused on standard contract documents, prompt payment and quality of documents. As follows:

- Standard contract documents - VRCA is working with CCA to raise the importance of the use of standard documents across the industry. VRCA plans to promote the use of CCA/CCDC documents in its new hard-copy Member Directory that will be published in November.
- Prompt payment – CCA continues to make good progress at the national level where it is leveraging a pilot first introduced in Alberta that sees public owners post the date of payments to GCs, therefore signaling to industry that payments should be able to flow across the supply chain. In Alberta the pilot has good traction and may be explored in other provinces, including BC. Meantime, the Alberta Construction Association is also exploring how to expedite payment from developers through use of technology. BCCA is exploring same, through Block Chain technology.

FF also raised an opportunity to engage the banking industry, which would (likely) have a vested interest in ensuring prompt payment if the funds it is making available are not being released according to lending terms.

- Quality of documents – VRCA and its regional counterparts are rolling out an “Infrastructure Masterclass” designed specifically for public sector employees who procure capital projects, with a view to educating them re the importance of value vs. lowest bid, and investment in design to avoid quality of document challenges. VRCA also plans to re-engage the attendees of its 2015 quality of document workshop to explore how owners, consultants and contractors can make progress in the Lower Mainland.

Comments/questions:

- Resolution of lack of use of standard documents requires a change in behaviour across the industry.
- Noted that standard documents are simply a guide and that all are amended – usually by GCs and often quite significantly – to manage risk.
- Noted that all documents, regardless of how they are finalized, start as CCA or CCDC documents. While large contractors may add more amendments, smaller contractors – such as the majority of VRCA members – use the standard documents largely unamended. It’s therefore important for VRCA to promote use of standard contracts

<p>across the industry.</p> <ul style="list-style-type: none"> • Noted that the Infrastructure Masterclass is a means to encourage a public owner to be the “owner of choice” through understanding market conditions and application of consistent procurement practices. • Noted that re (lack of) prompt payment, VRCA’s suggestion to approach the banking industry makes sense, however, may hit a barrier since there are often layers of funders associated with a project that may make may tracking of disbursement of funds problematic. The bonding industry may have a role to play to make it an obligation that owners disclose their financial statements to contractors. • Noted that manufacturers and suppliers often request upfront deposits from contractors so that they can manage cashflow accordingly. • Noted that there was very limited registration for the course that was developed by the M&S Division and scheduled in May and September to help manufacturers and suppliers to manage risk. Suggest we promote one more time, and consider changing its title to e.g. Risk Management 101. FF suggested expanding the opportunity to include trade contractors and other associations e.g. Canadian Export and Manufacturers • Noted that risk management includes saying no to certain customers, a difficult yet important step for any contractor. • Noted that WorkSafeBC is currently rewriting policies, the outcome of which will impact all work on site. Is COCA/BCCSA involved in the consultation process? • Noted that industrial construction has higher safety standards in place compared to other sectors of the industry. Do we exude safety at VRCA? Suggest we start each meeting with a safety moment. <p><i>(b) Proposed federal govt. small business tax reforms</i></p> <p>FF shared the high level details of the proposed federal govt. small business tax reforms. The proposed changes will:</p> <ul style="list-style-type: none"> • Make it harder for business owners to share income with their family due to stricter “income splitting” rules. • Increase taxes on any business investments. • Make it harder to pass the business to others as part of a succession plan or exit strategy. <p>FF shared that VRCA is working with CCA and BCCA to lodge their concerns with the federal government regarding the proposed changes. In addition, VRCA has two template letters that members can personalize and send to their MP, as well as the link www.protectgrowth.ca, developed by the Canadian Chamber of Commerce and endorsed by the Canadian Construction Association, where members can register their concern online and send a digital letter directly to their MP.</p>	<p>Action: VRCA to promote the Infrastructure Masterclass to the public sector (and GCs to forward details to their public sector clients as appropriate)</p> <p>Action: While noting potential pitfalls, VRCA to work with its provincial and national partners to engage the banking industry as discussed</p> <p>Action: VRCA to promote the M&S Risk Management course to other entities and decide on the course’s next steps</p> <p>Action: VRCA to ensure members have access to all ways in which to convey concerns re the federal govt’s proposed tax changes</p>
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<p>5. New business</p>	
<p>None.</p>	
<p>6. What it means to be an integrated member of VRCA</p> <p>All general and trade contractors, manufacturers and suppliers, i.e. industry members, and those professionals who choose to upgrade to industry member status, are automatically integrated members of VRCA, with access to all programs and services offered by BCCA and CCA. Perhaps most importantly, through their integrated membership, members can share feedback on any industry issue and influence regional, provincial and national conversations/solutions.</p> <p>As noted above, the discussions at Divisional meetings are therefore important; it is an opportunity for VRCA members to ensure their voice is heard regionally and at provincial and national levels, through BCCA and CCA.</p>	
<p>7. 2018/19 Manufacturer, Supplier (and Services) Divisional Council election</p>	
<p>FF noted that:</p> <ul style="list-style-type: none"> • The nomination period for the 2018/19 Manufacturer, Supplier (and Services) Divisional Council election opened on September 26, 2017, and will remain open until 5pm on October 27, 2017. • The nomination package has been loaded onto the VRCA website and will be promoted via the weekly Connector e-newsletter and dedicated emails to all general contractors. 	
<p>8. In camera</p>	
<p>There was no in-camera session.</p>	
<p>9. Adjournment</p>	
<p>The Acting Chair asked for a motion to adjourn the meeting.</p> <ul style="list-style-type: none"> • Moved/seconded: DS/NT Carried. • The meeting was adjourned at 5.10pm. 	

**Vancouver Regional Construction Association
Manufacturers & Suppliers Divisional Council (that includes Allied service providers)
FINAL Terms of Reference (2015)**

The Manufacturers & Suppliers (M&S) Divisional Council will provide a forum for VRCA Manufacturers, Suppliers and Allied members to interact for industry benefit as well as understand and support the VRCA's vision and objectives.

1. M&S Divisional Council Membership

- The M&S Divisional Council will meet regularly or as appropriate and is open to VRCA members, categorized as M&S and Allied members.
- An Executive Committee, comprising a Chair and two Vice Chairs, will be elected by the M&S Divisional Council no later than October 31 each year and ratified by the VRCA Board of Directors at its November board meeting.
- The Chair of the M&S Divisional Council must be a member of the VRCA Board of Directors.
- The VRCA President, or their designate, will attend the meetings of the M&S Divisional Council (without vote).

2. M&S Divisional Council Operation

- The M&S Divisional Council will meet regularly. Meetings will be held as appropriate at the call of the Council Chair or the two Vice Chairs.
- A majority of M&S Divisional Council members present in person at a Council meeting constitutes a quorum.
- The M&S Divisional Council is supported by the VRCA President or their designate as appropriate and required.
- The Council Chair will determine the time and duration of meetings and will ensure agenda packages are circulated in advance of meetings.
- Following each Annual General Meeting, the Divisional Council will develop a plan and realize objectives for improvement benefitting VRCA members and the industry as a whole.
- All members of the M&S Divisional Council will maintain confidentiality in respect of all Council business, including but not limited to documentation and minutes.

3. Documentation

- Meeting minutes or other supporting documents will be circulated to all M&S Divisional Council members, whether or not they attended the Council meeting, in a timely manner.

- The approved meeting minutes will be included in the Board package circulated ahead of any VRCA Board meeting.

4. Evaluation

- Annually, the M&S Divisional Council will review its performance and Terms of Reference.
- The Council Chair will maintain regular communication and interaction with the VRCA President and Board of Directors to ensure alignment with the VRCA requirements.

5. Code of Conduct

- All members of the Council are to abide by and adhere to all Association bylaws, policies and procedures. There is a code of ethics and culture that must be respected.

6. VRCA M&S Divisional Council Aims and Aspirations

- To consider and represent the members categorized as Manufacturers, Suppliers and Allied members.
- To work in collaboration with other VRCA member Divisional Councils and the VRCA generally for industry benefit.
- To understand industry issues and focus on ways to support improvement.
- To strive for tangible benefits that can be tracked and measured.

Areas of Focus may include:

- Market viability: Be aware of tight market but avoid claims environment (always mindful of required competition / anti-collusion regulations).
- Design: Relationships with owner / design consultants and quality of coordinated information.
- Contracts: Owner contracts, unrealistic supplemental conditions, role of consultants acting on behalf of the owner.
- Subtrades/Suppliers: Proactive relationships, procurement requirements, contract agreements, quality of workmanship, resource and succession planning.
- People: Industry coaching/mentoring/training, succession planning, recruitment rules of engagement, industry attraction/barriers to entry.
- Safety: WorkSafe BC relationships, safety culture and training, temporary works, consistency and efficiency of process and procedure.

7. Meetings

- Meetings to be held at the VRCA office, 3636 East 4th Avenue, Vancouver, BC, on agreed upon dates/time.

The Future Starts Now. // 2017-2020 strategic goals

1. Our vision for the future

As a \$16 billion dollar industry, construction provides 8.6 per cent of BC’s wealth and employs more than 225,000 workers, making it BC’s largest employer in the goods sector. We believe that excellence, underpinned by a culture of learning and innovation, is a critical factor for the survival and prosperity of VRCA’s members and BC’s construction industry as a whole.

Our Big Hairy Audacious Goal (BHAG) is to be Canada’s premier construction centre of excellence by 2027. We believe that as a construction centre of excellence we will bring about the transformational change required by our members, the industry and society to navigate the future successfully, by catalyzing the adoption of best-in-class, innovative construction processes, technologies, materials and business strategies.

2. Our strategic goals

The centre’s activities will elevate to a new level VRCA’s industry roles – to Educate, Advocate and Facilitate – and comprise the evolution of current, and the development of new programs and services to harness the opportunities and address the problems and challenges facing members now and in future. The pillars will be underpinned by a foundation of four business goals to optimize the use of VRCA’s building, achieve full brand recognition as a construction centre of excellence in the marketplace, continue to adopt best practice board governance and operational processes and procedures, and achieve long-term financial viability.

Our seven 2017-2020 strategic goals define what we want to achieve in the period. They are to:

EDUCATE	ADVOCATE	FACILITATE
1. Foster a culture of continuous learning across the industry by providing world class technical and non-technical education and training.	2. Foster an environment that encourages collaboration, innovation and adoption of standard practices in order to promote fair, open and transparent business practices across the industry.	3. Enable connections and opportunities across the industry by providing a range of business-oriented programs, services and support that include first-class networking opportunities.
4. Optimize the use of VRCA’s building as an important educational and promotional tool for construction best practices.		
5. Achieve full brand recognition as the premier Construction Centre of Excellence in Canada through VRCA’s programs, services and advocacy work.		
6. Lead by example through adoption of best practice board governance and operational processes and procedures that support delivery of VRCA’s vision and mission.		
7. Achieve long-term financial viability through exceptional leadership.		

Manufacturers and Suppliers (and Services) Division

Key Themes	Actions Initiated/Underway	Proposed 2018/19 Focus
Quality of Documents	<ul style="list-style-type: none"> VRCA supported CCA in its national quality of documents initiative in 2015 VRCA published a report on CCA quality of documents initiative in 2015 VRCA promoted CCA/CCDC documents in its member 2017 Directory 	<ul style="list-style-type: none"> Re-engage (2015) owners, consultants and contractors regarding quality of documents and determine next steps in the lower mainland Continue to promote usage of standard contract documents
Contract Language	<ul style="list-style-type: none"> Engagement with legal entities on workshop development Key items incorporated into educational offerings VRCA engaged the M&S Division and a facilitator to develop/deliver a course focused on risk management for M&S and TC members 	<ul style="list-style-type: none"> Promote CCDC53 and its Trade Contractor's Guide and Checklist to Construction Contracts Provide stakeholders with opportunity for discussion and collaboration
Prompt Payment	<ul style="list-style-type: none"> Bill 142 - Prompt Payment legislation at 3rd reading in Ontario; may have impact in other provinces including BC Alberta pilot program is underway; good traction with Alberta Infrastructure; may be used in private sector; opportunities to leverage same approach in BC 	<ul style="list-style-type: none"> Continue advocacy at local/provincial/national levels Provide stakeholders with educational and collaborative opportunities e.g. Construction 101, Infrastructure Masterclass, industry roundtable Explore development of a Construction CFO discussion group
Public Sector Procurement & Consistency of Procurement Issues	<ul style="list-style-type: none"> Engaged public sector via Infrastructure Masterclass BCCA published a Public Owner Checklist BCCA/VRCA engaged Professional Associations e.g. SCMABC and others re I/M and opportunity to earn CPD points 	<ul style="list-style-type: none"> Continue to engage public sector regarding capital procurement education Collaborate with stakeholder organizations on educational credits, cross-promotion of education courses Explore hosting a reception with politicians and bureaucrats to build relationships/dialogue
Divisional Engagement	<ul style="list-style-type: none"> Changed Councils to Divisions (to avoid confusion) Opened meetings to all Division members Hired dedicated Manager, Industry Relations Manager 	<ul style="list-style-type: none"> Improve Divisional Meeting logistics e.g. issue agenda and minutes on timely basis Explore alternative meeting locations and formats Identify topics for discussion; secure guest speakers and panelists Complete development of Advocacy (Pillar 2) webpages
Hazardous Materials	<ul style="list-style-type: none"> VRCA supported BCCSA's development of a mobile silica exposure mitigation application 	<ul style="list-style-type: none"> Improved communication and promotion Collaboration with Worksafe, stakeholders BC Building registry, "Asbestos Week"