

construction

in vancouver

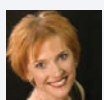


Workers wanted

Multiple recruitment strategies will be needed to meet an expected demand for 19,000 more workers by 2021 in the Lower Mainland's construction sector | B2

Carpenter Simon Cheng is one of more than 10,000 British Columbians placed in construction jobs since 2006 through the British Columbia Construction Association's Skilled Trades Employment Program (STEP). Government-funded programs like STEP are among the many solutions that will be required to address the province's growing skilled labour shortage | DAVE SILVER/BCCA

FINDit



CONSTRUCTIVE COMMENT B3

No single solution will solve the skilled labour shortage



LEGAL SPECS B8

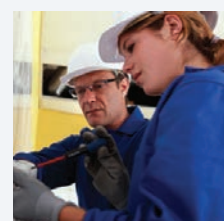
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LABOUR: 19,000 ADDITIONAL WORKERS NEEDED BY 2021 IN LOWER MAINLAND CONSTRUCTION INDUSTRY

A combination of recruitment strategies will be required to keep pace with anticipated construction demands

BY BILL FERREIRA

The tight labour market in the construction and maintenance industry in British Columbia's Lower Mainland will require an estimated 11,900 additional workers to satisfy peak market demand in 2021, according to **BuildForce Canada's** 2019-28 provincial labour market forecast. When coupled with growing retirements, construction employers in the Lower Mainland will need to recruit 19,000 workers over the next three years to maintain a balanced labour force.

B.C. already faces a tight labour market. In fact, it has one of the highest private-sector job vacancy rates in the country, which will only make recruitment of the workers required more challenging. Industries such as health care, retail and construction are all struggling to keep pace with employment demands in the Lower Mainland, so an anticipated sharp rise in non-residential demands will only compound this challenge.

The key drivers in the region are public transportation and infrastructure projects, as well as rising demand for new industrial, commercial and institutional buildings. These demands are expected to peak in 2021, but the downward dip thereafter will be marginal as continued population growth will keep demands above 2018 levels throughout the entire 10-year outlook.

Projects such as the Pattullo Bridge replacement, the Vancouver International Airport's planned expansion, pipeline projects, the Millennium Line and Surrey transit system expansions, the St. Paul's Hospital development and the **Vancouver Fraser Port Authority** container terminal expansion will be the

principle demand drivers. However, the buildup of the labour force over the next three years should then restore balanced labour markets to the region through to 2028.

The record-low levels of industry unemployment over the past four years create some challenges. While a projected softening in residential demand is expected to free up some workers with the skills required to join the non-residential labour force, competing demands elsewhere in the province will create continued competition for workers.

With most local sources of labour exhausted, the industry will need to employ a combination of recruitment strategies, including the recruitment of workers from other industries and from outside the province to keep pace with anticipated construction demands.

Compounding the employment challenge will be the aging of the provincial labour force. Over the next 10 years, approximately 24,600 industry workers are expected to retire in the Lower Mainland, 8,500 of those from the existing non-residential labour force. And based on historical trends, the industry can expect to recruit 21,000 workers locally, with about 8,000 of those recruited into the non-residential sector.

However, with all industries in B.C. facing similar demographic pressures, the competition for younger workers will be intense, making recruitment of younger workers an ongoing preoccupation of the industry throughout the forecast period. And even if the industry is able to recruit its historical share of younger workers, a recruitment gap is expected to emerge.

While the Lower Mainland labour market challenges may



BuildForce Canada
executive director Bill
Ferreira | SUBMITTED

seem daunting, an ongoing and sustained commitment to training and apprenticeship development will ensure the industry has the qualified tradespeople it requires to remain efficient and competitive over the long term.

The first and primary challenge will be accommodating existing demand. There are many strategies the industry can employ.

The lowest-hanging fruit is mobility, not only between the residential and non-residential sectors but also between provinces. Recruiting workers from neighbouring provinces is one possible strategy, but so is drawing in local unemployed skilled workers from other industries.

Another strategy is to remain active locally in promoting careers in construction to younger workers in the region. Working with educational institutions and independent training providers will be necessary to ensure that apprentices and other skilled construction workers have the opportunities to develop and grow into the seasoned and competent workers the industry will need to replace those retiring. A

greater attention to mentoring and skills development will also be required.

A third strategy is to broaden the appeal of construction work to groups that are under-represented in the existing labour force. One such group is women, as only 3.8% of the province's construction labour force is made up of women working in on-site construction professions. While the overall percentage of women working in the industry is higher, at 12%, the proportion of women working in on-site professions remains exceptionally low, despite the incredible industry labour force growth of the past decade.

Another under-represented group is the Indigenous community, which in 2016 represented just 6% of the industry's labour force, most of them employed in on-site construction.

Simply doubling the number of women and Indigenous workers employed in on-site professions would go a long way toward meeting the industry's long-term labour force needs. But to achieve this goal, the industry must ensure that workplaces remain respectful and inclusive and that management is committed to the promotion of workplaces where all individuals feel included and valued. That means a greater focus on retention.

Worker recruitment can be a costly undertaking, so if the workplace environment is seen as unwelcoming, these efforts are wasted, and the negative experiences of these workers can undermine industry efforts to increase the numbers of these under-represented workers in the industry's labour force.

To help support the industry with this challenge, BuildForce has developed a series of free and low-cost professional

Simply doubling the number of women and Indigenous workers employed in on-site professions would go a long way toward meeting the industry's long-term labour force needs

development tools for employers. These include:

- the free Respectful Workplace Online Self-Assessment Tool for management to evaluate existing corporate policies and procedures and highlight any gaps that may exist;
- a free Respectful Workplace Policy Framework that can be used as is or adapted by construction companies, and a supporting Implementation Guide to assist employers in ensuring that the policy framework becomes a living document that will have a direct and lasting impact on their company's culture; and
- the low-cost Working in a Respectful and Inclusive Workplace online course designed for workers and supervisors.

Addressing the industry's labour market development challenges will require sustained leadership and greater co-operation and co-ordination between all industry stakeholders. These challenges are significant, but they are not insurmountable for an industry that remains a pillar of the province's economy and will remain so for years to come. ■

Bill Ferreira is the executive director of BuildForce Canada, a national industry-led organization committed to working with the construction industry to provide information and resources to assist with management of workforce requirements.



Michael Dew
Partner



Jenkins Marzban Logan LLP
lawyers

Jenkins Marzban Logan LLP, one of British Columbia's leading boutique law firms in the areas of construction, commercial and matrimonial dispute resolution, is pleased to announce that Michael Dew has become its newest partner.

Michael has a varied civil litigation practice, but focuses on construction law, creditors remedies (including builders liens and bankruptcy), shareholder and partnership disputes, and insurance matters.

In his spare time, Michael runs www.legaltree.ca, consults as an efficiency expert, rides road and mountain bikes at relatively high speed, custom-builds camper vans, helps raise two young children, writes software, and produces YouTube videos on the topic of Excel spreadsheets to make life easier and more understandable for the general population.

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No single solution will solve the skilled labour shortage

A multi-focused strategy is needed to grow the construction workforce



We can't simply train our way out of this, nor are we going to source enough skilled trades locally to fill these jobs

BY FIONA FAMULAK

The No. 1 issue keeping Vancouver Regional Construction Association members awake at night is the shortage of skilled labour.

This isn't a revelation – we've been discussing the challenge for some time, and it's important to keep the conversation top of mind because it isn't going to resolve in the near future. In fact, the latest labour market forecast from BuildForce Canada suggests the shortage is going to get worse before it gets better for B.C.'s construction industry.

As an industry, we're thrilled to be busy and know that we're going to be even busier in the coming years thanks to recent announcements of major new industrial, commercial and institutional construction projects such as LNG Canada, the St. Paul's Hospital replacement and the extension of the SkyTrain Millennium Line from Vancouver Community College to the University of British Columbia.

At the same time, we're well aware these projects will increase our demand for labour. And when that's combined with a growing number of workers nearing retirement, the number of men and women we need to attract to the construction industry climbs with every new announcement.

We developed the January 2019 edition of *Construction in Vancouver* to explore how to attract, train and retain top talent. When we considered the editorial theme for this edition, we knew



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we'd only scratched the surface in January and that there's much more to consider.

As we study the current labour market, it's clear to us that there is no single solution that will solve B.C.'s skilled labour shortage. We can't simply train our way out of this, nor are we going to source enough skilled trades locally to fill these jobs. The industry needs to pursue various options to meet peak demand while also replacing retiring workers.

To explain why, let's consider the challenge. Every January, BuildForce Canada releases its rolling 10-year labour market forecast for Canada's construction and maintenance industry. A year ago, the estimates pegged the number of unfilled construction jobs in B.C. by 2027 at 12,200.

The newest forecast suggests that by 2028 there will be 25,700 jobs unfilled by the provincial labour supply.

How did we get to that number? The forecast predicts there will be 22,000 new jobs created over the next decade as a direct result of the increased market demand. During this period, we expect 44,200 workers will retire, meaning the industry needs to recruit 66,200 men and women to meet demand and replace those retiring. When we account for the 36,500 individuals under the age of 30 anticipated to enter the industry during this time, it still leaves us short of the target.

BuildForce has, for the first time, provided us with a forecast specific to the Lower Mainland, and the numbers are just as challenging. The local industry needs

to recruit 19,000 men and women over the next three years to maintain a balanced workforce. With only 6,900 new entrants expected to be available locally, a total of 12,100 jobs will remain unfilled. It's worth emphasizing that's 12,100 jobs unfilled in the next three years alone.

There are those who believe we have the workers available locally; however, B.C.'s unemployment rates tell a different story.

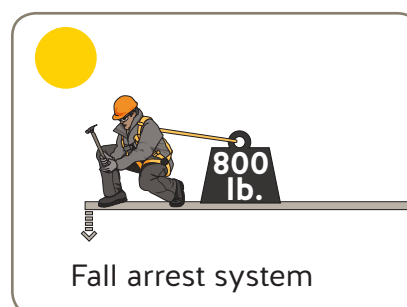
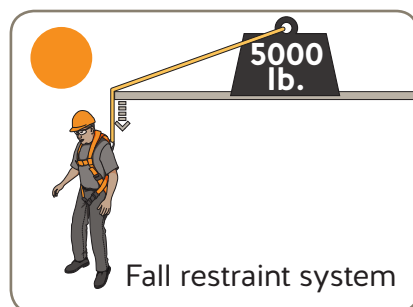
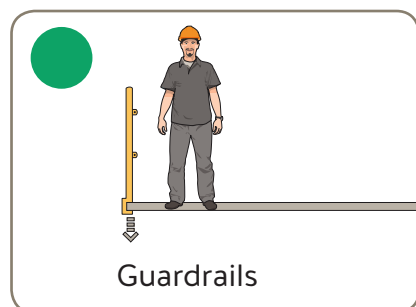
The unemployment rate in February almost equalled the lowest rate recorded in the past 40 years. At 4.5%, it's close to what economists refer to as "full employment," which means there is a scarcity of job seekers in B.C. And with only one in every 45 students entering a construction trade program out of high school, we need a multi-focused strategy to grow our skilled workforce, and everyone – from individual companies through to government – has a role to play.

As you will see in this issue, there are myriad opportunities to help address the skilled labour shortage, and given the current labour market, we know no single solution will be enough. ■

Fiona Famulak is president of the Vancouver Regional Construction Association. VRCA is the largest regional construction association in British Columbia and fifth largest in Canada, representing union and non-union general contractors, trade contractors, manufacturers, suppliers and professionals working in the industrial, commercial, institutional and highrise residential construction industry.

Fall protection hierarchy

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- Ensure adequate **training, instruction, and supervision** is provided

HIRING: MAKING THE SHIFT TO COMPETING FOR TALENT

Tips on surmounting the skilled labour shortage challenge

BY TIM O'CONNOR

It wasn't long ago that the word "competition" used in a business context was understood to mean competing for customers. While this holds true, the priority is shifting to another type of competition – the competition for talent.

In many regions and industries, the competition for talent is becoming a higher priority for business leaders than the competition for customers. And it is well reported that British Columbia's construction industry is just such a place.

In this environment, leaders are looking for answers. At **Results**, we have the opportunity to work intimately with leadership teams to find ways to address this challenge. I want to share how some progressive firms are having success in this new competitive landscape.

Make it a strategic priority

Filling roles in your organization is no longer a simple process delegated to the human resources department. Senior leaders are making talent acquisition and retention a top priority for the organization, ensuring talent

activities get high visibility and appropriate resource allocation.

In the best organizations, every manager and employee should understand the firm's strategic plan and top priorities, including priorities pertaining to talent.

Be in the compensation ballpark

Traditional elements of compensation – wages, benefits and vacation allotment – are important, and leaders must know what a typical compensation range is for each role within the organization. Armed with this information, leaders and managers must regularly review their employees' compensation to ensure they are within the competitive range.

That said, research has shown that organizations with the best talent don't necessarily pay at the very top end of the range. Great employees, especially the younger generations entering the workforce, will accept less to work at an organization where they fit in and are cared about.

Capitalize on efficiencies

The efficiency equation improves a firm's labour situation in two ways. First, doing things more efficiently ensures tasks and projects get done with fewer people

resources. Sometimes – but not always – this involves technology. Taking time to apply process improvement techniques across the organization can also pay significant dividends.

The second benefit is more subtle: the best talent – the so-called "A players" – want to work for efficient companies; they want to get their tasks done efficiently and use leading-edge tools and technology.

Take culture seriously

There is a saying often credited to the renowned management consultant and author **Peter Drucker**: "Culture eats strategy for lunch." This statement has significant merit in business execution because a good strategy, flawlessly executed, will always outperform an excellent strategy with execution that is lacking.

Culture eats compensation for lunch. There's growing research linking a healthy culture to success in attracting and retaining the best employees, along with other performance metrics.

Creating a healthy culture is easier said than done and requires leadership intent and focus. Characteristics of organizations with healthy cultures include:

- core values or principles that are more than just a plaque on the wall – they are alive in the organization and operationalized in processes such as recruiting, performance management, rewards, recognition, decision-making and employee autonomy;
- a vision for the future understood by everyone in the company, and a clearly stated game plan for how the organization will get there;
- a compelling purpose for why the company exists, beyond just making money for the owners;
- managers who understand their role in managing people and are skilled in this vital area; and
- a place where employees feel safe to express themselves and speak out, and leaders who are transparent and authentic.

Think creatively

Many companies in B.C. are exploring new ways of finding great people, including: recruiting beyond provincial and national borders, accommodating people with special requirements such as physical disabilities and parents with very young children, forming strategic partnerships with other firms, using virtual workers and



Results founder and CEO
Tim O'Connor | SUBMITTED

capitalizing on acquisitions and outsourcing.

When the issue of talent is considered a strategic priority, thinking outside the box is more appropriate.

The skilled labour shortage in B.C.'s construction industry is not going away, and most leaders are starting to take some action using these and other strategies. If your organization is lagging behind, the time to act is now. ■

Tim O'Connor is the founder and CEO of Results. He has been working with business leaders for more than 20 years, helping them to drive positive change in their organizations. Tim is passionate about addressing chronic issues in mid-sized organizations, namely, a lack of execution.



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WORKPLACE: SAFETY 2.0 COMES TO B.C. CONSTRUCTION SECTOR

Newly launched Builders Code aims to retain tradeswomen and sets a standard code of conduct for workers on construction sites

BY LISA STEVENS

The British Columbia Construction Association, in conjunction with a host of industry partners including WorkSafeBC, the Industry Training Authority and the four regional construction associations, joined with Minerva BC and the Ministry of Advanced Education, Skills and Training to launch the Builders Code on March 8.

The overarching goal of the Builders Code is the retention of tradeswomen in B.C.'s industrial, commercial, institutional and highrise residential construction industry, but the main message is that the equitable treatment of tradeswomen is essential for success in today's construction industry. This is not a women's issue; it is a business issue.

The Builders Code sets a standard code of conduct for workers on construction sites in B.C. It defines an "acceptable work site" as the starting point for reducing risk and ensuring a safe and productive environment for all workers. The Builders Code is intended to help construction employers communicate a reasonable, consistent behaviour expectation to improve the safety, productivity and retention of skilled tradespeople and reduce project risk.

Harassment, bullying and hazing behaviours negatively affect everyone on a job site, risking site safety, productivity and employee retention.

Everyone who works in construction understands that a code is important: in a project-based industry where work teams change from project to project, everyone needs to know what's expected at all times. Compliance to a code is a language that construction understands.

Currently, construction companies and tradespeople hold themselves to a high standard when it comes to the quality and safety of what they build. At a



The British Columbia Construction Association and industry partners on March 8 launched the Builders Code, which sets a standard code of conduct for workers on construction sites in B.C. | SUBMITTED

minimum, they follow a code that ensures all structures are built to be safe, resilient and efficient. This shared understanding is essential in an industry defined by project-based work where many different teams come together to build.

But when it comes to the culture and attitude of a job site, and the overall health and well-being of the workforce, the industry is anything but up to today's standards. There is no consistent code of conduct, no baseline acceptability standard for behaviour that ensures safe and productive work sites where everyone can perform to the full extent of their ability. Until such a standard is adopted, the industry will struggle to attract and retain the diverse workforce it needs for success.

Today, the way construction workers treat each other – women and other equity-seeking groups in particular – on the job site can vary greatly from one crew to the next, from one job to the next, from one day to the next.

The Builders Code is a way to change that. It is a way to create

a safer and more productive work site for all.

The peak of success and best possible outcome for the Builders Code would be a future in which all construction companies in B.C. adopt it, working under the definition of an "acceptable work site" so that all construction workers on all projects in our province understand the behaviour that is expected of them and why it matters.

When the Builders Code launched on International Women's Day, March 8, four employers stepped up to be the trailblazers as the first signatories to the code: Houle Electric, Kinetic Construction, Westcom Plumbing and Gas and LNG Canada.

"As Canada's largest construction project, we have already helped provide training for more than 1,000 apprentices in B.C.," said Andy Calitz, CEO of LNG Canada. "We are committed to creating a workplace that supports equity and diversity. Our support of the Builders Code will help the province grow and retain its skilled labour pool. We look forward to working with

contractors and suppliers whose commitment to safety and diversity matches our own."

The Builders Code will be a valuable opportunity and asset for contractors looking for competitive ways to attract and retain skilled tradespeople at a time when B.C. faces a skills shortage of 7,900 workers in the non-residential construction sector and when tradeswomen comprise only 4.7% of the skilled workforce.

Although women, youth and other equity-seeking groups are entering construction trades at a higher rate than in the past, retention rates remain low. First-year retention rates for female apprentices have anecdotally been estimated at less than 50%. By comparison, first-year retention rates for men are estimated at 70%. Those contractors who lead the way in culture change will have distinct advantages.

The Builders Code includes an ambitious "10x10" goal to have B.C.'s skilled workforce composed of 10% tradeswomen by 2028, a standard not yet achieved by any province in Canada.

Reaching the 10% goal will equate to adding another 9,500 women into the skilled trades in B.C.'s non-residential construction sector. That achievement would be especially significant, as it would effectively erase B.C.'s projected skills gap of 7,900 workers.

"At Kinetic Construction, we view site safety and respect of others as more than just a requirement; it's part of our culture," said Tom Plumb, Kinetic's president and CEO. "The Builders Code fits in perfectly with our proactive approach to the site environment and safety, and the 'See It, Say It, Fix It' motto we have on all of our job sites reflects that."

Together, we're building a construction industry that works for everyone. Check it out at builderscode.ca.

Lisa Stevens is chief operating officer at the British Columbia Construction Association. The Builders Code is an initiative of the Construction Workforce Equity Project, funded by the B.C. Ministry of Advanced Education, Skills and Training through the Sector Labour Market Partnerships program.

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Breakfast will be served. Space is limited. Please RSVP to klevack@singleton.com



MENTORSHIP: PROGRAM HELPS FIGHT LABOUR SHORTAGE

Vancouver entrepreneur gets business advice; construction companies get lesson in technology



John Reid (left) and Harp Dhinsa of Faber Technologies present to construction industry leaders as part of the Canadian Construction Association's mentorship pilot program, which matches aspiring entrepreneurs who are creating new solutions for the construction industry with industry leaders to help hone the ideas or rollout plans | DAVID WEIR



Mary Van Buren, president of the Canadian Construction Association: new mentorship program benefits both the mentors and the entrepreneurs being mentored | DAVID WEIR

BY PETER CAULFIELD

A new labour forecast by **BuildForce Canada** predicts that B.C.'s construction and maintenance industry will need to attract almost 19,000 new workers to meet peak labour demand in the 2019-2021 period.

"Managing recruitment, training and worker mobility will be critical to meeting B.C.'s anticipated construction needs," said **Bill Ferreira**, executive director of BuildForce Canada.

Fiona Famulak, president of the **Vancouver Regional Construction Association (VRCA)**, said companies can shore up future recruitment by engaging young, tech-savvy prospects. One way to do this is "by being progressive and cutting-edge," said Famulak. To that end, the **Canadian Construction Association (CCA)** has launched a mentorship pilot program that "connects entrepreneurs with industry leaders who can provide feedback on innovations to benefit construction."

Famulak said the construction industry needs to build "faster,

greener and more productively."

"Technology helps industry to deliver," she said. "And technology will help attract millennials. So the mentorship program is very important."

The program is a first for the Canadian construction industry. It matches aspiring entrepreneurs who are creating new solutions for the construction industry with industry leaders who can help hone their ideas and roll out plans.

The program ran in its pilot phase from December 2018 until the end of March 2019.

After visits to New Brunswick and Nova Scotia, the mentorship program made a stop recently in British Columbia, where it held a two-hour session in the VRCA's boardroom.

The volunteer mentors attending the session were **Terry Mayo** and **Michela Biffert** of **Clark Builders**, **Branden Kotyk** of **Victaulic**, **Brian Dougherty** of **Horizon Landscape Contractors Inc.**, **David Counsell** of **Torrent Shotcrete** and Famulak of VRCA.

John Reid, co-founder and chief revenue officer of

Vancouver-based **Faber Technologies Inc.**, was the lucky entrepreneur who was mentored.

The company's Faber Connect platform is "a marketplace where construction companies can connect with construction workers," explained Reid.

Reid said the mentorship session was an opportunity for Faber to tell its story in depth to some of Vancouver's construction leaders.

"We received feedback and input to help validate and improve our vision of attracting and training new and current workers to the field of construction."

He said he learned there is an even greater need for skilled trades workers in the Lower Mainland.

"Since Faber is a homegrown Vancouver company, we feel very compelled to help with this problem," Reid said. "There is a lot of interest in using our platform, which was great to hear. Construction companies see the value in having a system that can find and manage workers efficiently and attract people into the construction industry and provide training for them to gain skills and

grow their careers."

Reid said there is a lot of interest in the construction industry for bringing skilled workers to Canada from other countries to help fill the gaps in the trades shortage.

"Young job seekers today want more choice and a clear path to developing their skills," he said. "Other industries, such as technology, do a great job of outlining how to progress and earn more in the industry."

The construction industry, on the other hand, is still very old school about providing a transparent pathway to skills development and higher pay.

"As a result, many millennials find construction less appealing as a career path," Reid said. "Faber wants to work with mentors to solve this problem through a digital training platform."

Explaining the rationale for the mentorship program, CCA president **Mary Van Buren** said the association's mission is to inspire a progressive, innovative and sustainable construction industry.

"One of the challenges for businesses developing new solutions is

gaining access to executives in the industry to get feedback on their solution and to gain adoption," she said.

Industry, for its part, may face challenges learning about leading-edge technology, innovations and solutions that can improve businesses.

CCA is evaluating the pilot program, after which it will propose a yearlong program.

"Our goal is to make this a permanent program to spark innovation in construction by connecting the industry to leading-edge entrepreneurs," said Van Buren.

The mentorship program has benefits for both mentors and the entrepreneurs being mentored.

"The mentors get to find out about the leading-edge solutions for their industry that are being developed by young entrepreneurs," said Van Buren. "For the person being mentored, it's the opportunity to get in front of pre-qualified experts and acquire some valuable advice from people with plenty of practical business experience." ■

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RECRUITMENT: BCCA HELPS CONNECT EMPLOYERS, WORKERS

B.C.'s labour shortage means 'it's time to think outside the box'

BY BRIGITTE PETERSEN

The British Columbia Construction Association (BCCA) offers two government-funded employment programs to help companies meet increasing demand for skilled tradespeople.

Connecting employers with job candidates, BCCA's Skilled Trades Employment Program (STEP) focuses on finding motivated and trained workers to fill open positions.

"STEP essentially provides expert HR services to construction employers at no cost," said BCCA president **Chris Atchison**.

STEP's regional employment placement specialists, located throughout B.C., source candidates for trades positions. More than 10,000 British Columbians have been placed across the province since the program began in 2006, with more than 10% of those being women.

"While that may not sound like a high percentage, it's more than double the number of tradeswomen working in construction in B.C., and it's actually our provincial target for 2028," said Atchison.

Most STEP job placements start in entry-level positions, such as unskilled labourers, on the job site, and apprenticeships are encouraged.

"The challenge is complex because you don't make a journey person overnight," explained Atchison. "It takes four years of employment and apprenticeship."

Funded by the **Industry Training Authority** through the Canada-British Columbia Workforce Development Agreement, the program helps employers by assessing their hiring needs, providing free support before and after placement, finding job-ready skilled workers and connecting them with employers. All B.C. construction employers are eligible for STEP.

Support for newcomers

To help new arrivals in Canada, BCCA offers its Integrating Newcomers program (BCCA-IN). Staff help eligible workers by assessing their work experience, education and skills and by explaining required B.C. construction qualifications. Funded by **Immigration, Refugees and Citizenship Canada**, BCCA-IN helps newcomers navigate the construction industry and shows them where their skills fit, connecting them with opportunities before arriving in B.C. It also helps them learn about other settlement services.

Extended for four more years, the program recently received \$3.4 million in federal funding to provide pre-arrival settlement



Ruairi Spillane, managing director of Moving2Canada and Outpost Recruitment, advises employers to "hire for attitude and train for skills" | SUBMITTED

services for newcomers, including refugees. To be eligible for BCCA-IN, job seekers must live outside Canada and have permanent residency approval.

Vancouver-based **Kindred Construction Ltd.** has participated in BCCA-IN for several years, connecting to new talent and providing a training ground mostly for estimators and carpenters.

Melissa Cupa, Kindred's human resources director, said the program allows the company to access new, diverse talent within the tight market.

"We know that people coming from outside of Canada face barriers to entry, and we want to help eliminate those," said Cupa.

One of the greatest challenges for program participants is that they don't immediately know the local market in terms of trades, codes and building technologies, explained Cupa, but the information is accessible when people are given time to learn. She recommends companies using the program ensure success by first having a sound training and mentoring strategy in place.

Lesley Patten, BCCA-IN's interim provincial manager, said the program ensures candidates are prepared to take on construction jobs.

"Employers have access to individuals who have updated, detailed resumés showcasing their skills and experience, who have been assessed on what type of work in Canada would fit their skills and experience from their home country," said Patten.

More than 700 newcomers, mostly engineers, architects and surveyors, have received service, job leads and support through the program since it began in 2015.

"A large number of the workforce is getting ready to retire, and we do not have enough of the current population to fill these positions," explained Patten.



BCCA's Skilled Trades Employment Program (STEP) is aimed at finding motivated and trained workers to fill positions. Most STEP job placements start in entry-level positions, and apprenticeships are encouraged | PHOVOIR/SHUTTERSTOCK

While people are moving to Canada for jobs from around the globe, Patten said the majority in the program come from India, Nigeria and the Philippines.

Private-sector support

In addition to government-funded programs, private recruitment companies are also working with

the construction industry to find local and international workers.

Hailing from Ireland, **Ruairi Spillane** launched **Moving2Canada** in 2011 as a free information resource and online community to help people plan their move to Canada. Moving2Canada, which offers an online jobs board, recently won the Best Immigrant

Entrepreneur category at the Small Business BC Awards. Its sister company, **Outpost Recruitment**, has been providing agency recruitment services to construction companies across Canada since 2012. Outpost's service is free for job seekers, and employers pay a percentage on hires.

Spillane, managing director of Moving2Canada and Outpost, said one of the main challenges when placing newcomers in the industry is employers' "obsession with local experience."

"They complain about the lack of available workers but are afraid to train and develop newcomers," he said.

Spillane encourages companies to learn about how to integrate those who are new to Canada and help them adapt to local markets. He offers a number of tips for employers, including being open-minded, learning about immigration programs and leveraging Canada's diverse workforce.

"We're experiencing a labour shortage, so it's time to think outside the box and be innovative," he said.

"Hire for attitude and train for skills." ■

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Courts guard holdback obligations of Builders Lien Act

Owner may be liable for any payments that can be construed as being made pursuant to construction contract



Statutory holdback provisions remain a tricky business, and careful consideration should be given to all payments made on construction projects

BY NORM STREU AND CHRISTOPHER HIRST

The holdback provisions of the Builders Lien Act can be a tricky business. Where an owner fails to maintain the statutorily required 10% holdback from payments made pursuant to a construction contract, the owner may expose itself to liability in excess of it.

But what happens in circumstances where payments are made that arguably fall outside the terms of the construction contract? Does the owner need to maintain a holdback from such payments as well? How does one know when the holdback provisions are applicable to specific payments?

Some light on these important questions was recently provided by our Court of Appeal in **Iberdrola Energy Projects Canada Corp. vs. Factory Sales & Engineering Inc.**, doing business as FSE Energy.

Iberdrola, a general construction contractor on a biomass plant project, entered into a contract with FSE, which in turn subcontracted

with various other parties (the subcontractors) for the supply and installation of boilers for the project.

During the project, FSE ran into financial trouble and Iberdrola stepped in to assist in funding the subcontractors. Iberdrola paid the subcontractors directly using two methods.

First, Iberdrola entered into tripartite settlement agreements with FSE and the subcontractors under which Iberdrola paid the subcontractors directly. The settlement allowed Iberdrola to set off amounts paid to the subcontractors against amounts owing to FSE.

The second method consisted of Iberdrola and FSE entering into payment agreements under which Iberdrola would pay the funds into a jointly controlled bank account that could be used only to pay the subcontractors. These payments were styled as “loans,” although it appears that no one believed that any of them would ever be repaid.

Despite the financial assistance from Iberdrola, FSE went into bankruptcy and ultimately defaulted on its obligations under

the contract with Iberdrola. Various subcontractors filed liens under the Builders Lien Act.

The issue was whether the 10% holdback amount required under the act was to be calculated only on the amount that Iberdrola paid to FSE under the original contract or whether it should include the subsequent funds paid to the subcontractors under the settlement agreements and payment agreements.

With respect to the settlement agreements under which Iberdrola took responsibility for payments it was not obligated to provide by the terms of its contract with FSE, the Court of Appeal found that the holdback obligation did not apply. It did not apply because these payments were not made on account of Iberdrola’s contract with FSE.

With respect to the advances made pursuant to the payment agreements, the court found that they were in essence payments made pursuant to the contract between FSE and Iberdrola. Since they were payments made on account of the contract, the court found that the payments triggered

Iberdrola’s holdback obligation.

This case provides some guidance for owners attempting to keep a project on track by paying subcontractors directly in the face of the threatened insolvency of a key contractor. Where funds paid in those circumstances can in anyway be construed as being paid pursuant to the original construction contract, a court is likely to find that the holdback obligations of the act have been triggered.

What is also clear from this decision is that the statutory holdback provisions remain a tricky business, and careful consideration should be given to all payments made on construction projects as the courts zealously guard the holdback obligations of the Builders Lien Act. ■

Norm Streu is president and chief operating officer of the LMS Reinforcing Steel Group. Christopher Hirst is managing partner and leader of the construction and engineering group at Alexander Holburn Beaudin + Lang LLP. This article was drafted with the assistance of Jayde Jessome, articling student.

LABOUR: EMPLOYEE BENEFIT PLAN CELEBRATES 50 YEARS

VRCA program helps construction industry attract scarce labour

BY PETER CAULFIELD

With the B.C. construction industry facing a serious labour shortage, the unemployment rate has been running at historically low levels, outstripping the available supply of construction workers in several regions of British Columbia.

“Population aging and high demand are contributing to the shortfall of available workers,” said **Bill Ferreira**, executive director of **BuildForce Canada**, which collects and distributes construction labour market information. “It will only intensify over the next 10 years, as 44,200 workers retire from B.C.’s construction labour force. As retirements rise and competition for younger workers increases, recruitment pressures are expected to intensify.”

What to do?

One way for construction companies to attract and retain workers in a tight labour market is to offer competitive remuneration and attractive benefits.

Fortunately for members of the **Vancouver Regional Construction Association (VRCA)**, the association’s employee benefit plan is a cost-effective and efficient way

to do this.

The plan is administered for the **British Columbia Construction Association (BCCA)** and its four regional partner associations – of which VRCA is one – by the **BCCA Employee Benefit Trust**, an arm’s-length non-profit organization.

“The trust understands intimately the ins and outs of the construction industry and its unique needs and concerns,” said **Arthur Chung**, CEO of the BCCA Employee Benefit Trust.

The trust offers two types of benefit plans: traditional group benefits and the Hour Bank.

Typical plans have many components: extended health care, dental care, accidental death and dismemberment, long-term disability, life insurance and an employee and family assistance program.

In addition, there are customized benefits: vision care, short-term disability, medical travel benefits, critical illness insurance and a health spending account.

The trust also offers Hour Bank plans, which allow casual and contract employees to bank time while they’re working, in order to cover the periods when they’re not employed – making them particularly attractive to the construction industry.



Tim Doucette, executive vice-president at NorLand Ltd., a Burnaby-based heavy construction and industrial products business that has 193 employees registered in the VRCA benefits plan | SUBMITTED

Hour Bank plans include different levels of coverage for extended health with vision care, dental care (including orthodontics), life insurance, accidental death and dismemberment, medical travel benefits, an employee and family assistance program and Best Doctors coverage offering access to medical specialists.

The VRCA recently also began

offering its members an employee retirement savings program, which the BCCA Employee Benefit Trust does not administer.

Half-century history

The BCCA Employee Benefit Trust originated in 1969. Some BCCA members had employees who weren’t covered by union plans, so they started contributing to a benefits fund.

Today, 50 years later, the benefit plan covers 500 employee groups representing approximately 7,000 employees. Two-thirds of the groups are members of the BCCA and its four regional partner associations.

Since 2010, the trust has partnered with a number of other construction-related associations: the **BC Electrical Association**, the **Electrical Contractors Association of BC**, the **Mechanical Contractors Association of BC**, the **Architectural Institute of BC**, the **Fort McMurray Construction Association**, the **Canadian Home Builders Association of the Central Okanagan** and the **Victoria Residential Builders Association**.

The trust is also open to other organizations across the country.

“VRCA’s benefit plan has been built for the construction industry,” said VRCA president

Fiona Famulak. “The plan offers comprehensive coverage that includes Hour Bank plans for casual and contract employees, access to Best Doctors medical specialists and Copeman Healthcare services as well as a retiree transition benefit. In short, it has all the components to help employers attract and retain employees in today’s tight labour market.”

NorLand Ltd., a heavy construction and industrial products business in Burnaby, has been in the employee benefit plan since the 1980s. The company has 193 employees registered in the plan.

“The BCCA benefits plan was created so that smaller construction employers – which we were when we joined – could access group benefits at cost-effective rates,” said **Tim Doucette**, executive vice-president at NorLand. “We have stayed with the plan because the trust is a fabulous service provider at very competitive rates.”

Doucette said NorLand has benefited from cost-competitive rates, confirmed by testing the market from time to time.

“But mostly we have benefited from dealing with people who know us and know our industry,” he said. ■