



Canadian Institute of
Quantity Surveyors

Institut canadien des
économistes en construction



A Written Submission to Finance Canada's

PRE-BUDGET CONSULTATIONS

in Advance of the 2023 Budget

February 2023

Submitted by:
The Canadian Institute of Quantity Surveyors

CIQS RECOMMENDATIONS

- 1.** CIQS recommends that the federal government commit to studying the potential benefits of collaborative stakeholder engagement from industry experts on all federal infrastructure projects. This will provide cost assurance and best value to taxpayers to maximize return on investment.
- 2.** CIQS recommends that the federal government move forward with its commitment to the National Infrastructure Assessment of an independent advisory body, with Construction Economist's involvement entrenched in Canada's long-term infrastructure plans.

BACKGROUND

Canada's construction sector is an engine of economic growth. Investments in new infrastructure creates lasting community assets, supports business growth, and improves quality of life for all Canadians.

As the national organization committed to ensuring the efficiency of construction projects, CIQS members and industry experts will help play a vital role in Canada's future economic expansion post-pandemic. While the construction industry was not affected as drastically as other sectors during the pandemic, prevailing economic headwinds such as labour market shortages, supply chain issues, and inflationary pressures will impact infrastructure projects moving forward. These economic challenges will cause uncertainty and lead to less confidence throughout the industry unless appropriate actions are taken.

Professional Quantity Surveyors (PQS) working on projects help all parties liaise when problems arises. As such, they have been especially busy helping general contractors, trade contractors, suppliers and labour find immediate resolutions to challenges caused by these aforementioned challenges. This includes helping to adjust construction budgets and estimates when materials are not available due to supply chain disruptions, addressing concerns about milestones due to labour shortages, and helping new projects come to fruition in an uncertain environment. They also have the expertise necessary to source and recommend materials to develop sustainable infrastructure.

Over the coming years the role of PQS and Construction Estimators Certified (CEC) will be more important than ever. We anticipate the investments from the Canada Infrastructure Bank and Investing in Canada plan will hit their stride, as well as new investments to encourage economic growth. At the same time, with high government borrowing at all levels of government, it will be vital that we ensure every dollar is spent wisely.

CANADIAN INSTITUTE OF QUANTITY SURVEYORS

CIQS is the premier professional association that sets the highest standard for construction and infrastructure economics in Canada. Designated Professional Quantity Surveyors (PQS) and Construction Estimator Certified (CEC) professionals counsel building owners, developers, designers and contractors at throughout the construction industry supply chain from design, procurement and construction process to help ensure a return on investment is delivered. In this economic climate, Professional Quantity Surveyors and Construction Estimator Certified professionals are more valued than ever as an integral part of the building and construction process. Not only do we play a key role in ensuring infrastructure investment is protected and efficient, our members constantly identify opportunities and efficiencies that deliver benefits to the triple bottom-line.



RECOMMENDATION 1

ENCOURAGE THE PARTICIPATION OF INDUSTRY INPUT ON FEDERAL PROJECTS THROUGH SUPPORT FOR PROJECT PROPONENTS

Professional Quantity Surveyors are construction economists that help project stakeholders make the most of their time, funding, and resources. This role will be increasingly valuable as federally funded infrastructure projects continue to be delivered from coast-to-coast-to-coast.

Municipalities, First Nations, and other groups that seek funding through the Canada Infrastructure Bank (CIB) and Investing in Canada Infrastructure Program (ICIP) will be expected to deliver cost assurance with their selected vendors in the construction sector. Together with other industry partners, PQSs and CECs can help the federal government put together the appropriate estimates and bids to secure investments. Now more than ever, Canadians need to see value for their tax dollars, especially when it comes to large-scale public infrastructure projects.

The benefits of involving industry professionals as part of the project delivery teams are clear, as we ensure every dollar invested in a project goes further. This is an area where policymakers often have short-term goals and do not consider the long-term implications of their decisions. Ensuring that value and cost assurance is delivered throughout the lifecycle of a project will reassure Canadians that their tax dollars are being spent efficiently and wisely by their government.

There are multiple ways the government could ensure construction economists are a part of all major infrastructure projects. We can work with government to entrench improved analysis, risk assessments and cost planning into the federal project procurement model. We also advise that changing the process of tenders and bids would be unacceptable to many stakeholder partners in the construction and infrastructure sectors. We therefore advise a government-provided benefit to project proponents who win bids that would allow them to hire or consult a PQS based on criteria allotted and, on the scope, and outcome objectives of a given project.

This proposal is worth consideration in the context of sustained deficits and government borrowing. Making sure investments are appropriately made, managed, and delivered quickly are the strengths of industry professionals, especially Quantity Surveyors, and are exactly what taxpayers will need for the challenging road ahead.

CIQS recommends that the federal government commit to studying the potential benefits of collaborative stakeholder engagement from industry experts on all federal infrastructure projects. This will provide cost assurance and best value to taxpayers to maximize return on investment.



RECOMMENDATION 2

ENTRENCHING THE INVOLVEMENT OF CONSTRUCTIONS ECONOMISTS IN CANADA'S LONG-TERM INFRASTRUCTURE PLAN

Canada's construction sector is an engine of economic growth and opportunity. Investments in new infrastructure and the maintenance of the existing creates lasting community assets, supports business growth and improves the quality of life for all Canadians.

While Canada is working towards a net-zero future under the priorities set out in Canada's Infrastructure Bank and in the federal government's climate plan, *Canada's 2030 Emissions Reduction plan*, the government will need to find additional ways to support the creation of new, sustainable infrastructure in order to meet their climate goals. In order to better meet the changing needs of our communities and achieve our net-zero sustainability goals, Canada needs a long-term strategy for how we manage and deploy our infrastructure projects.

Budget 2023 must chart a plan for economic growth that addresses inflationary pressures, shortages in the labour market, and supply chain constraints, all while achieving a net-zero future. These pressures have brought into focus the need for industries to work well together, be flexible, and reactive to global events that impact our domestic economy.

In supporting the federal government's climate plan, CIQS members have the knowledge required to improve communications between building owners, developers, governing bodies, contractors, and other stakeholders. CIQS members are ready and willing to work with the federal government to ensure the next generation of Canadian infrastructure is built with net-zero in mind.

CIQS look forward to working with the Government of Canada to develop a long-term vision for Canada's infrastructure which is based in expert advice and industry experience with this National Infrastructure Assessment.

CIQS recommends that the federal government move forward with its commitment to the National Infrastructure Assessment of an independent advisory body, with Construction Economist's involvement entrenched in Canada's long-term infrastructure plans.





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