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Formed in 1969, the British Columbia Sheet Metal Association (SMACNA-BC) was the first international chapter of the Sheet Metal & Air-conditioning Contractors National Association (SMACNA). Founded in 1934, SMACNA traces its history to the National Association of Sheet Metal Contractors established in 1910, and has 2,300 members worldwide.

SMACNA-BC is a member-driven association representing unionized sheet metal contractors in the Mainland of BC, and suppliers to our industry. It promotes the growth and stability of the members and industry.

OUR MANDATE

- To improve the financial stability and business conditions of the sheet metal industry, and to develop and promote methods to improve managerial proficiency
- To improve quality, efficiency and productivity of this industry, and to implement high standards of work
- To establish and maintain high ethical standards of conduct between members of the Association, and between members and owners, architects, engineers, other contractors, and the public
- To study and help in the development and enforcement of governmental codes and regulations, and such legislation as may be necessary for the best interest of the public and the sheet metal industry
- To promote harmony in labour relations
- To exchange technical, professional, and educational information with other contractor associations in the sheet metal industry and its allied trades in Canada and other countries
- To affiliate as a Chapter with the Sheet Metal & Air-conditioning Contractors National Association, Inc.



BC Sheet Metal Association (SMACNA-BC)

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BUILDING BLOCKS ON INTERNATIONAL WOMEN'S DAY

My ten-year-old daughter came home from school on March 8, International Women's Day, and asked if she could teach me the difference between "equality" and "equity".

"Of course," I said.

"Equality," she explained," is when everyone gets the same thing. Equity is when everyone gets what they need."

She used the example of a three people—an adult, a teenager, and a small child—peering over a tall fence to watch a baseball game. They all have a block to stand on that will make them tall enough to see the game. This is equality. However, the adult can see the game just fine without a block so doesn't need his. The teenager needs his block to see, and the small child has a block but still can't see because one block is not enough. When the adult has no block, the teenager has one block, and the small child has two blocks: that is equity.

Days of notice, like International Women's Day, are for recognizing the need for equity. Of course, there are individual women who have more blocks than they will ever use, and others who may never have enough, but as a group of people looking to compete and stand for themselves in certain realms, like construction, they need more blocks.

The past five years have seen unprecedented growth in initiatives, funding, and culture shifts that welcome women into construction and other male-dominated careers. Women



By / Jessica Kirby, Editor, Sheet Metal Journal

make up nearly 12% of the construction workforce in Canada now, up from 10.3% in 2015 and 8% in 2008. Culturally speaking, we have passed a tipping point where it is a very small segment of people in construction who would actively harass a woman in construction just because she is a woman. We are in a holding pattern in which women who are "like one of the guys" are the most likely to fit in on construction jobs sites, and one day, thanks to everyone's continued support, women who are "like themselves" will one day see the same success. Yes, women are still underrepresented in construction but some women don't want that kind of job and never will, so equality isn't the point. The point is access. The point is equity.

For now, women still need more blocks. They need inroads. They need support believing that this career is a solid choice for anyone willing to work hard. They need mentors. They need people willing to set the tone that discrimination isn't a thing any more. They need equal access to promotions and advancement if they have the skills. They need the confidence to say what they mean, and mean what they say, so they will ask for those promotions and advancements. They need pay equity.

Of course, real progress will happen when we aren't talking about women in construction anymore—when we are just talking about people in construction, the construction workforce, the hard-working, focused, intelligent, strong men and women who build our cities and keep us housed. In the meantime, let's keep building and distributing those blocks so sooner than later, we can all enjoy the game together.

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(visit smacna.org to reigster)

2021 Planning Your Exit and Business Valuation Program San Diego, CA

Project Managers Institute Raleigh, NC

2021 Financial Boot Camp Tempe, AZ

2021 June Council of Chapter Representatives Newport, RI

BOARD CHANGES AT SMACNA-BC

Please be advised that over the past month there have been some significant changes to the makeup of the SMACNA-BC Board of Directors.

Firstly, and one of the more significant changes, is that the SMACNA-BC Board of Directors has accepted a resignation letter from President Kevin Taylor. Mr. Taylor has resigned from the position of SMACNA-BC President citing he is no longer employed with City Sheet Metal Ltd. and due to further personal reasons, he must resign from his duties on the Board. As previously noted, the Board accepted his resignation and on behalf of the membership, thanked him for his commitment and service to SMACNA-BC members and the sheet metal industry, and wished him continued success in his future endeavors. Kevin will complete his term as a Trustee on the Sheet Metal Industry Training Board and as an alternate on the SMACNA-BC / SMART Local Union No. 280 Joint Conference Board.

With the President position being vacant, the Board of Directors has made the following decisions and appointments:

President-elect, Dan Taillefer of Viaduct Sheet Metal Ltd., will fulfill the duties of the SMACNA-BC President position to the completion of the 2020-21 term of office. Upon the completion of this term, which expires at the 2021 Annual General Meeting, scheduled for 10:00 a.m., Thursday, May 6, 2021, Mr. Taillefer will advance from the current position of President-elect to SMACNA-BC President for 2021-22.

It has been moved, seconded, and carried that Bernie Antchak of Northwest Sheet Metal Ltd. be reappointed to his current position of Past President/Secretary/Treasurer for the term of one (1) year. This term will be completed on the date of the 2022 AGM.

To maintain the number of SMACNA-BC Board members, it was moved, seconded, and carried that Dan Mauro of Spectrum Sheet Metal Ltd. be appointed to the position of Director. This term will be completed on the date of the 2021 AGM.

I wish to advise you that due to the current COVID-19 situation and restrictions, the scheduled SMACNA-BC Convention & AGM at Spirit Ridge in Osoyoos, BC, has been cancelled. The 2021 SMACNA-BC Annual General Meeting is scheduled for 10:00 a.m., Thursday, May 6, 2021, via the Zoom virtual platform. Details for this event, along with request for nominations for miscellaneous Board and Trustee positions, are forthcoming in the 60-day notice of AGM correspondence.



By / Bruce Sychuk, Executive Director, SMACNA-BC

Should you have any questions or concerns regarding the above, please do not hesitate to contact me at smacnabc@smacna-bc.org

Open Letter from SMACNA-BC/SMART Local Union No. 280 Partnership to SMACNA-BC Contractor Members and Industry Fund Contributors

Dear SMACNA-BC Contractor Members and Industry Fund Contributors:

A joint effort has been made by SMACNA-BC/SMART Local Union 280 and the Joint Conference Board to provide SMACNA-BC/LOCAL 280 Partnership buffees to all SMART Local Union No. 280 workers and Contractor Member owners and staff.



SMACNA-BC UPDATE



British Columbia Sheet Metal Association (SMACNA-BC)

Providing products and information related to the Sheet Metal Industry, including technical manuals and guidelines.

The unmatched technical and managerial expertise of SMACNA-BC Contractors is enhanced by the talent and skills of the workforce they employ. SMACNA-BC Contractors employ only Red Seal Certified Sheet Metal Journeymen and Registered Apprentices.

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Horizon Metal Systems Inc. KD Engineering Co. Modern Niagara Vancouver Inc. M&T Air Conditioning Ltd. Northwest Sheet Metal Ltd. Pacific Rim Industrial Insulation Ltd. Piedmont Sheet Metal (1997) Ltd. Quest Metal Works Ltd. R.H. Jones & Son Mechanical Ltd. Ridge Sheet Metal Co. Samson Metals Ltd. Smith Sheet Metal Works Ltd. Spectrum Sheet Metal Ltd. Summit Sheet Metal Ltd. Tri-Metal Fabricators VETS Sheet Metal Ltd. Viaduct Sheet Metal Ltd. Western Mechanical Services (1977) Ltd. York Sheet Metal Ltd.

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JOINT CONFERENCE BOARD MEMBERS

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Phil MacDonald
Ron Bui
Mark McLaren
Mike Davis
Tony Paris
Kevin Taylor (alternate)

SMART LOCAL 280

Jim Paquette
Richard Mangelsdorf
Troy Clutchey
Paul Daniels
Ken Elworthy (retired)

Sincerely, Richard Mangelsdorf Assistant Business Manager SMART Local Union No. 280



Richard Mangelsdorf, Assistant Business Manager SMART Local Union No. 280, modelling the buffees.

Get Recognized for Your Safety Achievements

One of SMACNA's most essential and popular annual initiatives is its Safety Excellence Award Program Survey. This important program allows all member companies to submit their safety data for inclusion in the critical Safety Statistics Profile.

This report encapsulates all the data received into one document that provides a robust database for evaluating sheet metal and HVAC industry safety performance. Member input is critical to the overall impact and accuracy of this report, because higher company participation rates mean the final report is more comprehensive and of greater value to the industry.

All SMACNA members are encouraged to complete the online survey at *smacna.org/safety/survey* as soon as possible. Most of the information needed to complete the survey can be found

THE ECCO GROUP™ ANNOUNCES THE APPOINTMENT OF KENNETH ALEMAO AS A PRODUCT MANAGER OF ECCO HEATING PRODUCTS LTD.

Kenneth Alemao has joined ECCO's Marketing team as a product manager.

Kenneth joins ECCO following a decorated career working in the HVAC industry for over 10 years, most recently in roles related to Sourcing & Category Management where he managed a portfolio that



included HVAC, waterworks, plastics, and hydronics. He has displayed an ability to effectively manage relationships with contracts, while developing long-lasting partnerships with vendor partners.

Prior to his roles in sourcing and category management, Kenneth spent over ten years as a sales and business development manager. "I am excited to be returning to my sales and marketing roots," Kenneth says. "As a seasoned sales and marketing professional, I will provide a unique combination of end-to-end supply chain and sales and marketing experience."

Under the direction of ECCO's Marketing Manager, Fernando Espinoza, Kenneth will be focused on building the product strategy based on the analysis of the competitive environment, distribution channels, customer types, market regions, and competitors.

"Our marketing team is committed to ensuring that ECCO has the right products in the right places, at the right prices, supported with the right promotions," says Bill Davis, vice-president and general manager of ECCO. "Together with the ECCO Manufacturing and ECCO Sales teams, we are committed to making ECCO the best place for our customers to come and do business."

EPISODE #14: SMACNA CELEBRATES WOMEN IN CONSTRUCTION WEEK

In Episode 14 of "Let's Talk Shop," hosted by Angie Simon, CEO, Western Allied Mechanical, celebrates Women in Construction Week by sitting down and speaking with two SMACNA leaders, Carmen Koo, a partner at Applied Air Conditioning in California, and Sandra Mennino, president

of Cambridgeport Air Systems in Massachusetts. Koo and Mennino talked about how they started in the industry, what challenges they've faced as women, and opportunities to bring more women into the fold.

When asked about the challenges they've faced as a women in a male-dominated industry, here's what they had to say:

"Sometimes, I have to put the boots on and climb up on ladders," Koo says. "There was one instance where we were on top of a roof in downtown Los Angeles, and I saw somebody secretly taking pictures of me while we were doing the job walk. That was odd and strange and uncomfortable. But, you know, for the most part, it's been great. People are more open now to women in the trade, including different people who don't look like the typical construction worker," Koo says. "So I think it's kind of opened eyes and opened doors for other people."

It's been less of a challenge for Mennino, who started at Cambridgeport as the controller. "I was very hands on in the factory floor at that time, and I knew a lot of the people," she says. "Most of our employees have been there a long time, and I had a good rapport with them. I go down to the floor, and they know I'm not afraid to go down there and get dirty."

Listen to the full episode* at *soundcloud.com/smacna/lets-talk-shop-episode-14-celebrate-women-in-construction-week* to learn more about how women are strengthening the sheet metal and HVAC industry.

*Episodes of Let's Talk Shop can be played on SoundCloud and iTunes. •

BEST PRACTICES TASK FORCE SHARES APPRENTICE SURVEYS

On behalf of the SMACNA/SMART Best Practices Market Expansion Task Force, the International Training Institute (iTi) surveyed more than 3,800 industry apprentices to gather demographic information and ascertain how they learned about the sheet metal industry, their experiences in the industry and their perceptions of it.

The Best Practices Task Force is using the information gained from the apprentice surveys to develop recruitment tools, programs and strategies that can be used by labor and management groups at the local level. Realizing the value of this data, an overview of the survey is now being shared with all chapter executives and volunteer leaders as well as SMART Business Managers. Please see *smacna.org/news/latest/archive/2021/03/11/best-practices-task-force-shares-apprentice-surveys* for the survey overview and results. For

continued on page 22



By / Jordan Whitehouse

No economy in the world is emerging unscathed from the coronavirus and neither is any province or territory in Canada. Still, while the economic impacts of the pandemic on 2021 remain largely unknown, some industry experts believe that the construction industry in general could fair okay.

For that to happen, however, a few things will need to occur, say those same experts. For one, provinces will have to take better advantage of the federal government's Investing in Canada Plan, which has earmarked \$180 billion in infrastructure spending over 12 years. Some provinces have invested less than 50% of those funds so far. "That's a lot of money that is available from the federal government that has not been accessed," says Mary Van Buren, president of the Canadian Construction Association. "If those funds aren't tendered, then how long is it until shovels get in the ground?"

Another key part of the construction industry's recovery will come down to the economic stimulus packages provided by government, says Van Buren. Investor confidence will be yet one more important piece of the rebound, says Richard Forbes, a senior economist at the Conference Board of Canada. "The business investment landscape in Canada has been weak for quite some time, even before the pandemic, and now it's even more uncertain," he says. "So, I think keeping an eye on how investment recovers is going to be key to seeing how the construction industry recovers as, well."

Investor confidence in industrial projects, in particular, will be crucial to that sector's recovery, says Forbes. However, one silver lining in industrial construction so far, he notes, has been the demand for warehouse space. Online shopping was accelerating warehouse construction before the pandemic, and now it has accelerated it even faster as e-commerce continues to take off.

On the commercial side of construction, prospects look quite bleak, as employees continue to work from home and businesses try to get rid of space amid the economic fallout from the pandemic. In downtown Toronto and Vancouver, office vacancy rates that were below 2% before the pandemic are now over 4%. In Ottawa and Montreal, downtown offices are over 8% vacant, while in Calgary almost 30% of offices sit empty.

The pandemic is also having a significant impact on the multiunit residential construction sector. While construction activity remains brisk in the country's biggest cities right now, resale numbers are showing that small and high-density central city apartment are falling out of favour.

"On the flipside, lower-density multiples in secondary cities, such as in the Toronto context like Kitchener, Barrie, and Peterborough, are proving more popular, so you have to expect that those will outperform those high-density units in urban cores," says Robin Wiebe, a senior economist at the Conference Board of Canada.

No matter the construction sector, however, labour shortages continue to be a major concern across the industry. That refers mainly to skilled tradespeople, but includes virtually all roles in the industry, from engineers to project managers and from estimators to truck drivers. This was a significant issue before the pandemic, and it's been exacerbated by closed borders, says Van Buren.

"New Canadians were traditionally a pretty reliable source of new recruits into the industry, but in 2020 we've had virtually no immigration, and we were trending around 400,000 people a year coming to Canada," she says. "So, if you put that on hold, it will make the war for talent even more fierce."

In some smaller markets, the federal government's Canada Emergency Response Benefit program also worsened that war, because it was a disincentive for people to work, says Van Buren. However, government programs like the Canada Emergency Wage Subsidy have certainly helped companies retain workers for when they've needed them most, says Forbes.

One piece of good news has been the continued strong commitment to prompt payment from the federal government and the provinces, says Van Buren, which will remain critical as we move through the economic uncertainty of the pandemic. She does note, however, that the federal government needs to help out with reimbursing costs associated with the pandemic, such as those for personal protective equipment.

"The industry ate most of those costs, so we're asking that the federal government take a leadership position on that so that others see that it's the right thing to do, whether it's private owners or others levels of government," Van Buren says.

Two other positives to come out of the pandemic have been increased hygiene standards and increased confidence in using technology, says Van Buren. "COVID-19 has necessitated a hyper-focus on hygiene, of course, but the industry's quick adoption of new and often changing protocols, as well as its collaboration on this issue, has helped build a lot of trust in the workforce," she says.



As for technology, the industry's office workers have adopted tools like Zoom and other collaboration tools quite quickly, and that has led to increased productivity in some cases.

So, while the overall uncertainty of the pandemic and the economic climate in Canada will certainly lead to more nail-biting across the country's construction industry, there are reasons for hope.

"We believe that construction is the right place to lead the economy and the economic recovery, and that infrastructure is an investment that is worthwhile," says Van Buren. "So, we'll continue to press forward. We're optimistic about 2021."



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Like every other region in the country, the long-term impacts of the pandemic on the construction industry in Western Canada are still largely unknown. The good news so far, however, is that construction has been deemed essential across the west, so a solid pace of activity should continue overall well into 2021 and beyond, say industry experts. The unfortunate news is that the pandemic has meant delays and fewer projects in the pipeline, while labour shortages continue.

In Alberta, the story has been the continuing struggle of the oil and gas industry, which has had a significant impact on the construction industry. A recent report from IHS Markit predicts that Canadian oilsands production will have had its biggest annual decline on record in 2020, dropping by an average of nearly 175,000 barrels per day (bpd) due to issues associated with the pandemic.

This recent breakdown of upstream oil and gas construction projects in the west has been somewhat offset by downstream oil and gas construction projects, however. Representing about \$60 billion in current and future work, many of these projects are currently underway or will be in 2021. These include the Moose Jaw Natural Gas Plant (Saskatchewan), LNG Canada (British Columbia), Heartland Petrochemical Complex (Alberta), and Coastal Gaslink Pipeline (British Columbia).

But the pandemic is having an effect on some of these projects, too. At the end of October, for instance, TC Energy announced that Coastal Gaslink costs would rise compared to the previously disclosed \$6.6 billion estimate "due to scope increases, permit delays, and COVID-19 impacts."

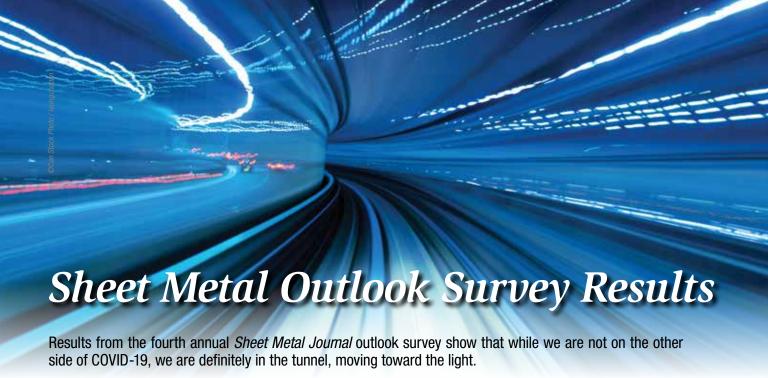
B.C. Construction Association President Chris Atchison is also hearing that the impacts of the pandemic mean fewer projects

in the pipeline in British Columbia. "Prior to COVID, people were looking two and three years out to find their next jobs, but now those jobs aren't there because people are a little bit uncertain as to what they're going to be able to do," he says. "So, there is this trepidation of what could happen if more stimulus dollars, more investment isn't made in projects."

Still, according to a recent outlook from the Conference Board of Canada, B.C. is expected to lead the west and perhaps the rest of Canada in an economic recovery from COVID-19, largely through the province's ongoing major construction projects in the resource sector. The authors of that outlook concede, however, that all bets are off if there are delays with a vaccine or the country goes into another lockdown.

Labour shortages also continue to be a wildcard in B.C. and across the west. "We still have an aging demographic within the workforce," Atchison says. "I think all of the construction associations are still predicting that there is not enough of a skilled workforce to do the jobs that they currently have and will have ongoing."

A big increase in the in-migration of skilled labour will be key to solving this issue, says Atchison, as will maximizing the participation of underrepresented groups, such as Indigenous peoples. Perhaps the pandemic will actually help on this front. "We've demonstrated we are somewhat pandemic- or recessionproof," Atchison says. "And by being deemed an essential workforce, all of a sudden that changes the conversation for people who were in retail, hotel, hospitality, or other service jobs. Construction can be a stable income for families." •



By / Jessica Kirby

The survey focused on the activities, challenges, and opportunities SMACNA contractors in British Columbia faced in 2020 and those they expect to face in 2021. Respondents' answers and perspectives were diverse. Most were optimistic and holding the line, choosing to focus on collectively and purposefully moving through this strange and challenging year. Creativity, thoughtfulness, and commitment to teamwork were at the forefront of most responses, proving once again that SMACNA-BC is backed by its members' resilience and dedication to the industry.

The SMJ outlook survey is distributed though Survey Monkey each December via our friends at the SMACNA-BC office. The questions are developed based on the issues we discuss with contractors throughout the year, topics of relevance to the construction industry in general, and the answers from previous surveys that garnered the most response. When relating percentages, note they will seldom total 100% because respondents are free to select multiple answers for each question.

We appreciate the participation of everyone who took the time to answer, and encourage those who didn't to watch for the link the next time it comes around, which will be in December 2021. Besides informing this article, it helps SMACNA-BC's executive director and board of directors make important decisions about the 2021-22 budget and provides information on manpower loading and availability for the industry.

Who are our contractors?

The survey is distributed to SMACNA-BC's mailing list and the number of respondents varies form year to year, as do their areas of specialty. Of the contractors who answered the survey this year, 78% specialize in HVAC, 22% in architectural metal, 22% in specialty, and 0% in TAB, keeping in mind some contractors have more than one specialty. Divided by sector, 44% work primarily in residential, 44% in commercial/institutional, and 11% in industrial.

For most contractors surveyed, 2020 was a good year. Sixty-seven percent said they performed much better than expected in 2020, 22% performed slightly above average, 11% performed the same as in 2019, and 33% were a little down. On the brighter side, zero respondents said 2020 was the worst year on record for their business.

Moving into the uncertainty and cautious optimism of 2021, 12% of contractors surveyed expect to perform better than they did in 2020. The majority (45%) expect to be on par with 2020, while 33% expect business to be slightly above average. Nearly 11% expect to be a little down from 2020, but no respondents said they are bracing for the worst.

Economists in British Columbia predict a slight rebound and moderate growth for the provincial economy in 2021. According to the Economic Forecast Council, BC is on track for real GDP growth averaging 4.7 percent in 2021 and 4.9 percent next year, but also says that change won't be felt evenly across industries. Construction will remain on the high end of the recovery scale, driven by residential and commercial markets and infrastructure dollars.

2020 in Review

Over the past year, the pandemic has affected sheet metal contractors in many ways besides economically. For some,

employee management has been difficult, and remote workers on the office side were harder to manage and keep motivated. In the field, construction workers often felt exposed and like they were living in a different world than the rest of the team who "get to hide," said one respondent.

Nearly everyone had concerns about safety protocols on the job site making job sites less productive and costing contractors extra for administration, PPE, and supplies. In some cases projects have been delayed or cancelled, and of course face-to-face sales calls are out of the question. Organizing hours to account for working from home has been an important change for some contractors. Some say the new system works well, while others say motivation and accountability of work-from-home employees is difficult to manage.

Mental stress and anxiety among the workforce has become a top topic. Besides people taking sick time and productivity being affected, several contractors reported employees accessing counselling services on a regular basis. If nothing else, it has caused resilience and flexibility: "Covid has forced us to lean more towards educating and supplying our workforce with continually changing protocols," one respondent said. Several shops adapted by closing their doors to anyone except staff, and every contractor who responded spent time and effort implementing social distancing, safety, and sanitizing measures with employee safety top of mind.

Of course, those measures were only the beginning. Sheet metal contractors adapted and pivoted in many ways, including finding new and creative ways to engage the workforce (45%), investing in labour (24%), and implementing new technology, including tracking, estimating, AutoCAD, and other software (22%). An equal number of respondents—13%—focused more heavily on productivity, increased the workforce, and decreased their workforce.

And, attention to productivity will be at the forefront of success in 2021 and 2022. According to a New Horizons Foundation study titled, "Pandemics and Productivity: Quantifying the Impact," a random sample of over 20,000 labour hours collected from sheet metal, HVAC, and mechanical contractors indicates 8.7% of hours available on projects to do productive work are lost due to mitigation requirements, such as PPE management, cleaning and disinfection, access rules, and extra administration time.

The study indicates an overall 9.2% average productivity impact on sheet metal, HVAC, and mechanical contractor productivity resulting from the pandemic, and this is in addition to the mitigation impact of 8.7% to produce a total productivity impact of 17.9%

According to the study, that means contractors should use this information to price an equitable adjustment properly employing



both the pandemic change order calculator provided with the study and the study itself as backup verification for the impact. (Email info@newhorizonsfoundation.org to receive a copy of the New Horizons study.)

"Companies that have trended lower in productivity losses have established, organized, and trained their teams with new pandemic mitigation processes and procedures," the study says. "Additionally, they have monitored and shifted work activities to accommodate required distance working between team members."

Exploring 2021

It is no secret that 2021 promises to be challenging on several fronts, including skilled labour, named as a prime challenge for 45% of contractors, competitive pricing (33%), political or economic markets (13%), too much work (12%), and capital investment (11%). Of course, more than 55% of contractors surveyed named COVID-19 as 2021's greatest challenge.

Success in 2021 will mean staying competitive, something 56% of respondents said would come down to educating and training themselves and their workforce. Another 44% said the secret to remaining competitive would be studying and improving productivity, while an equal number (33%) says pricing competitively, retaining labour, and investing in technology were the best ways to get ahead of the competition in 2021.

Of course, we have to spend money to make money. The biggest investment category among contractors who responded is technology (55%), including project management software and AutoCAD. Following that were labour (34%), expanding operations (23%), education and training (22%), finding projects to bid (12%), and leaving the industry entirely (10%).

In the tunnel

While we are not through to the other side of COVID-19 yet, we are definitely in the tunnel and following the light, which is getting brighter for Canadians and British Columbians as we move into 2021. As of early March, 2,698,454 doses of approved COVID-19 vaccines have been administered across Canada, including more than 355,000 in British Columbia. Estimates around activity and investment in 2021-2022 are already far more optimistic than they were in late December, and all arrows point to continued progress in that direction.

As SMACNA contractors move into 2021, some have identified a gamut of opportunity—and others, not so much. While 45% said they have no idea what their greatest opportunity will be or that they don't see any opportunities in 2021, others were optimistic. Several plan to keep looking forward prepared to adapt to whatever comes their way. Others see significant work on the horizon in infrastructure, hospitals, schools, and even

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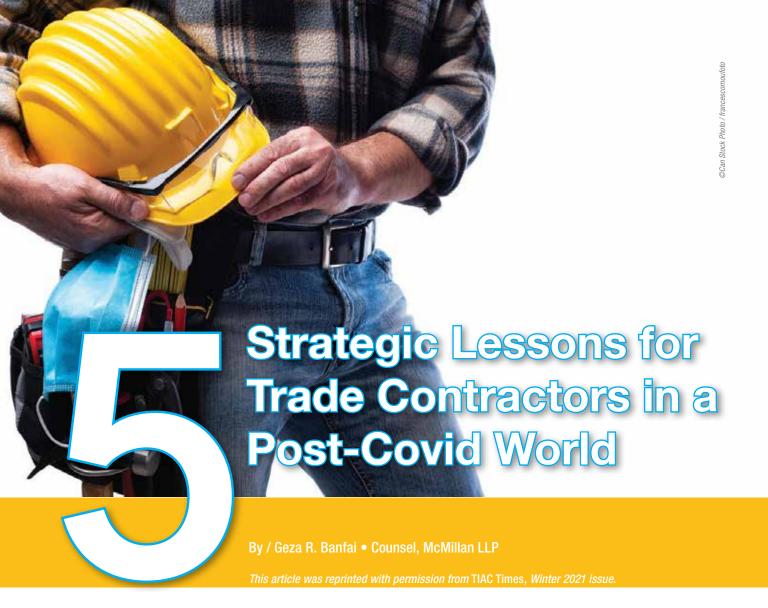
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PTIFIC



A pandemic is a terrible thing—and a terrible thing to waste.

Amid the disruption and the suffering, the industry has also experienced opportunities to make positive adaptations, if only because they have been thrust upon us by circumstances no one wanted and few anticipated.

It's worthwhile to take stock and consider some useful lessons learned going forward. Here are five:

1. The Contract Matters. Really.

When covid-19 struck and project participants were suddenly faced with mandatory enhanced site safety measures as well as the threat of shutdowns, the questions became, "Who pays for this? And what about the schedule?" Their contracts, which may have been only cursorily reviewed, if at all, suddenly assumed a renewed significance.

Among the clauses reviewed were those which normally didn't receive much attention, such as the *force majeure* provisions. As between owner and contractor, the usual allocation of risk of

events beyond the control of either party is that the owner absorbs the delay caused by the disrupting event and the contractor absorbs the costs. While this may be reasonable in an isolated case, a contractor may have trouble assuming these costs across its entire portfolio of contracts, and a different allocation of the risk may be appropriately negotiated. However force majeure risk is allocated, the point is that it is now real, no longer theoretical, and worth considering seriously.

This is just one example illustrating a point which is often overlooked: the contract is there to cover more than the normal, expected elements of the parties' relationship. It is also there to deal with the unexpected, and sometimes that is its most valuable function.

2. A Risk Not Understood is a Risk Not Managed.

Among the costs associated with the pandemic are the direct, easily identified ones, such as the costs of PPE. But there can be others, less readily apparent but just as impactful, such as loss of productivity due to physical separation requirements

or restricted access to the construction elevator, and schedule impact due to material supply disruptions.

Contractors are masters of the art of risk assessment. An important lesson of the pandemic has been that this imaginative exercise of anticipating possible events is sometimes more involved than may have been thought and that even the customary assumptions may not always be true, such as that the workforce will reliably be there and that the materials and supplies necessary to do the work will arrive on time. It's now necessary to go deeper when assessing possible contingencies and accounting for them in an intentional way by either pricing them, mitigating them, or making sure they can be absorbed.

3. Cash is Still King.

Any wide-spread shock usually disrupts the normal flow of cash down the construction pyramid, and the industry has seen this with the pandemic. For the trade contractor at the bottom of the chain, this can be devastating. It is the trade contractor who usually has the largest payroll obligations on a project, and these cannot be suspended. The trade contractor is also directly dependent upon material supply arrangements, which can instantly cease if the bills aren't paid.

The pandemic has highlighted the importance of both maintaining a healthy reserve of cash and in managing its timely collection. By fortunate coincidence, trade contractors in Ontario received some help here, in the prompt payment and adjudication scheme implemented by the Construction Act just before the pandemic. These initiatives will surely follow in other provinces, hopefully accelerated by recent experiences.

4. Give-and-Take Remains Wise.

With the sudden arrival of covid-19, the industry was faced with a common enemy which, for the moment at least, unified people. The watchword of the day was, "Talk to your contracting partners, be open with them, and make reasonable accommodations and compromises for the sake of keeping projects going and keeping people in business."

This was a welcome mood amid an industry that too often retreated into a state of "Come hell or high water" self-interest when the unexpected happened amid the dynamism of a construction project. Standing on the principle of one's strict legal entitlements, while satisfying, is a poor strategy today when it results in project failure tomorrow. The pandemic gave us a glimpse of a bigger picture, and this should not be lost when more normal times return.

5. Consolidate the Learning.

Each of us in the past year has occasionally wondered, "Will we ever return to life as it was before this pandemic?" The best answer may be: "We should most certainly hope not!" Contractors are masters of the art of risk assessment. An important lesson of the pandemic has been that this imaginative exercise of anticipating possible events is sometimes more involved than may have been thought, and that even the customary assumptions may not always be true.

Covid-19 has disrupted our lives profoundly, but it has also prompted healthy change in the way in which we work and in our general outlook upon the world. This goes far beyond becoming adept at Zoom meetings and includes all the new and different ways we have learned to work together with one another, both within our organizations and across the broader industry. Coupled with this is a deeper appreciation for our business and personal relationships and a keener sense of the fragility of things.

There is value in pondering this and in doing the necessary within our organizations to maintain the momentum over the coming months and years. Institutionalize the learning and make it part of the culture of our firms and the broader culture of the industry.

And in truth, that may be the most important strategic lesson of all.





What makes a great employee? Chances are the first things that come to mind aren't a person's vast technical skills or advanced degree from a prestigious college. It's likely their people skills, their capacity to communicate properly and listen, their ability to empathize and be optimistic, and their knack for building good relationships with others.

Underpinning these soft skills is something called emotional intelligence (EI), or a person's capacity to know, control, and express emotion, and to handle interpersonal relationships thoughtfully and empathetically.

In recent years, a growing body of research has shown that people with high EI have greater mental health, job performance, and leadership skills. This is why an increasing number of unions and companies across the construction industry—including those in sheet metal—are focusing on identifying and improving their people's EI. Understanding and cultivating EI may be just one more tool that labor and management can use to foster stronger working relationships.

Brent Darnell is a leading authority on EI, particularly on its use in the construction industry. He spoke at the 2020 Partners in Progress Conference where he challenged his audience to actively develop the EI to look beyond conflict and embrace the courage to change. He says that there are several advantages to focusing on EI as a way to develop people and solve industry problems, including how labour and management might work better together.

"For one, since collaborative project delivery is now the norm, companies invest a lot of money in training soft skills, but rarely do they know if the training has been effective," Darnell says. "Because EI can be reliably measured using several different instruments, the effectiveness of that training can also be measured."

Another reason it's advantageous to focus on EI is that it may answer previously unanswered questions for individuals, he adds. "Whenever you see any behavioural issues in yourself or others, especially those related to relationships, communication, and how you present yourself to others, it will always show up in your EI profile," Darnell says. Profiles can show, for example, if someone is a micromanager or has trouble with relationships.

"Once they understand what emotional competencies are causing the behavior, and they want to change that behavior, they can work on the emotional competencies and create that behavioral change."



A third reason the construction industry might find EI useful relates to the fact that its people typically like numbers and improving those numbers, whether they are related to schedules, productivity, or a vast array of other metrics, Darnell says. Because EI can be reliably measured, people in the industry are much more likely to embrace the work of EI because it produces tangible results that can be tracked and improved.

One of the most widely used instruments for gauging EI is the Emotional Quotient Inventory, or EQi. It is a validated self-assessment tool that measures five composite scales (self-perception, self-expression, interpersonal, decision-making, and stress management) and sixteen individual emotional competencies, including self-regard, emotional expression, empathy, problem-solving, and stress tolerance. Similar to an IQ test, which measures intellectual capacity, an EQI score of 100 is the average of all people who have taken the evaluation.

In his book *The People-Profit Connection*, Darnell shares the scores of a number of different groups within the construction industry, as well as an aggregation of the scores from over 200 people across the industry. These include a wide cross-section of positions, including superintendents, foremen, project managers, engineers, labourers, and even CEOs.

"Because emotional intelligence (EI) can be reliably measured, people in the industry are much more likely to embrace the work of El because it produces tangible results that can be tracked and improved."

The results may not be that surprising. On average, there were higher scores in self-actualization, assertiveness, independence, social responsibility, problem-solving, impulse control, stress tolerance, and optimism. There were relatively lower scores in emotional self-awareness, emotional expression, interpersonal relationships, empathy, flexibility, and happiness.

"While these scores may be predictable, they do highlight potential roadblocks for those who have to work together, such as labour and management," Darnell says, pointing to a six-point differential between assertiveness and empathy for the average person from the construction industry. "If that empathy is not improved, this can mean that these individuals may have trouble listening and asking for input and opinions from others," he says.

One of the more interesting findings from the aggregation of construction industry scores came when Darnell and his team divided the results based on gender. Where men were high in self-regard, self-actualization, assertiveness, independence, problem-solving, and stress tolerance, women were high in emotional self-awareness, emotional expression, interpersonal relationships, empathy, social responsibility, and optimism.

"With the industry gravitating toward more collaborative project delivery methods, companies who recruit and advance more women will be much more successful," Darnell writes in his book. "As a group, they simply have better emotional competencies for collaboration."

No matter one's gender, however, Darnell points out that EI is not static and can be improved. Construction workers, in particular, are quite susceptible to change because, in general, they are results-driven. "Once they see the value of this work, they attack it like they attack a tough project," he says.

Plus, he adds, these changes show up as statistically significant increases in their EQI scores. For instance, after a group of construction managers went through Darnell's EI program, on average their total EI, reality testing, and flexibility scores increased by five points each, and their emotional self-awareness score increased by six points.

"We say it often: awareness alone will not change behaviour," Darnell says. "This work with EI addresses the foundation of the cause of those behaviors, and you won't shift behavior until you change the underlying emotional competency causing that behaviour." •

FROM THE PRESIDENT: WHY DIVERSITY, **EQUITY, AND INCLUSION MATTER**

We as businesspeople should care greatly about diversity, equity, and inclusion (DE&I), not only because it is moral and ethical to treat people fairly and equitably, but also because it makes good business sense to create a strong DE&I culture. Creating an inclusive work environment increases productivity and invites innovation while reducing the risk of accidents. It also attracts top talent to our trade.

The construction industry has experienced some shocking incidences of racism that have pushed all of us to look toward a more diverse workforce. However, diversity without inclusion will not work. We have to educate our contractors, employees, and unions that inclusiveness is key to retaining a diverse workforce. Simply put, inclusion is something that does not happen on its own—we need to make sure everyone feels they are part of the team. When employees feel included and their ideas and feedback are appreciated, they will feel invested in the cause and more inclined to contribute.

In a highly competitive industry like ours, it is imperative that we take the lead for all the trades by being the most inclusive, whether it is in the office, in the shop, or on the job site. In addition to our reputation, embracing DE&I has many benefits that can help your business' bottom line:

According to a 2020 McKinsey study, companies in the top 25 percent for gender diversity are 21 percent more likely to have financial returns above national industry means, while companies in the top 25 percent for racial and ethnic diversity are 33 percent more likely to have financial returns above national industry medians.

Deloitte reports that when employees think their company is committed to diversity and they feel included, there is an 83 percent uplift in their ability to innovate. Innovation leads to better results. And results drive company performance and profit.

Do you have an interesting article idea? Sharing it is easier than you think. Projects, news, and profile suggestions are welcome in SMJ.

Reach out to our editor, Jessica, at 250.816.3671 or email jkirby@pointonemedia.com



Bv Angie Simon SMACNA President

Our trade faces significant recruitment challenges over the next decade with more than 35 percent of our workforce aging out. If we can accept and embrace diversity and inclusion in our workforce, we will have an untapped resource to help fill this gap in the future.

SMACNA's Board of Directors and the SMART's General Executive Council have seen the good, the bad, and the ugly, and we all agree that recruiting and retaining a diverse and inclusive workforce with the skills to meet our needs now and in the future is our only path forward. Therefore, we developed this joint statement affirming our common interests and goals:

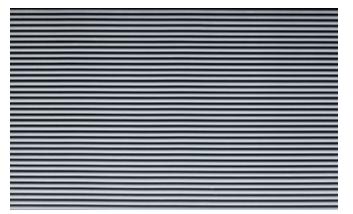
SMACNA and SMART recognize that diversity strengthens our workforce, benefits our communities, and makes the unionized sheet metal industry stronger and more competitive by reflecting the communities where we operate and the people we serve. To affirm our commitment to diversity and inclusion, we have agreed to develop, with the help of experts, a co-ordinated strategic plan with long-term and short-term objectives, which will be evaluated and adjusted as necessary. Our unified goal is to shift the mindset of management, labour leaders, and our respective memberships to recruit, welcome, and retain the most competent and skilled workforce available while embracing differences in age, ability, ethnicity, sex, gender identity, national origin, language, marital status, political affiliation, race, religion, sexual orientation, and other characteristics that make individuals unique. SMACNA and SMART are strongly committed to take the necessary steps to achieve our goal of a diverse industry with no tolerance of bullying, harassment, or discrimination. We will provide regular updates on our progress on the strategic plan and on our continued work to promote our shared values of diversity, inclusion, and equity.

In 2021, SMACNA will work to help members understand what DE&I means for our industry through the development of programs and opportunities to engage and learn about the positive impact DE&I programs can have on our businesses. Together with SMART, we will make a difference in our industry and set an example for all trades in the construction universe.

LOUVRE DESIGN FOR PREVENTION OF AIRBORNE DISEASE TRANSMISSION

Even the most robust HVAC system cannot control all airflows and completely prevent dissemination of an infectious aerosol or disease transmission by droplets or aerosols. An HVAC system's impact will depend on source location, strength of source, distribution of the released aerosol, air distribution, and filtration. Furthermore, there are multiple modes and circumstances under which disease transmission occurs. Thus, strategies for prevention and risk mitigation require that all stakeholders collaborate in the design process.

With the arrival of the COVID-19 pandemic, building managers and HVAC designers have been challenged with providing a comfortable indoor environment that is as safe as possible for the occupants. A recently published document from ASHRAE offers several strategies for the design and operation of HVAC systems that may reduce infectious aerosol transmission. Among the strategies identified, increasing outside air ventilation and running HVAC systems longer are suggestions for outdoor air dilution and replacement.



For systems that use in-take louvres, increased airflow and longer operation cycles could increase water penetration through existing louvres, causing building damage and indoor air quality issues. Retrofitting with more efficient louvres might be a consideration. For new systems, proper louvre selection is vital in designing an effective HVAC system.

Wind-driven rain-resistant louvres provide superior rain protection making them the best choice for new system designs and retrofits. AMCA 500-L Wind-Driven Rain Class A rated louvres allow only a few ounces of water penetration in an hour vs. several gallons through a traditional drainable louvre in storm conditions.

Wind-driven rain-resistant louvres are available in horizontal and vertical blade models. Horizontal models can often be sized comparably to traditional louvres for a given airflow with similar



By Norm Grusnick, P.Eng. ECCO Supply

pressure drop and high rain rejection effectiveness. Vertical blade models that provide the best rain resistance usually handle the highest air volumes through a given size. For the most demanding applications, AMCA-550 compliant models are available providing 99 percent rain rejection.

Providing constant airflow and outside air circulation while keeping water out of a building reduces damage and limits mold and dampness, both of which are proven to be negative contributors to indoor air quality. Referencing ASHRAE's Position Document on Infectious Aerosols, additional moisture in the air system can propagate infection. Specifying louvres made by manufacturers that subscribe to AMCA Certified Ratings is highly recommended for all louvre applications.

SMART Local 280 /SMACNA-BC Partnership



Left: Jud Martell, Local Union No. 280 President. Right: Bernie Antchak, Northwest Sheet Metal Ltd., SMACNA-BC President.





Labour & Management "Embracing the Challenge"

- B. Flaherty, Cornell University, Syracuse, N.Y.

COVID BACKWARDS, 2021 FORWARD

There is a question on everyone's minds: how is 2021 going to be different?

Well, the answer among many is leadership. If there is ever a test of our country, our industry, our companies, our families, and ourselves—it is our test of leadership. The question is, what do we use as the foundation for this leadership, and what can we take with us into this new year of 2021 and beyond. And there are three reasons why:

- 1. Our people are worn out, stressed, and uncertain.
- 2. Asking them to "do more" is not a great option.
- 3. They need something but would not know how to ask for it.

What they want to see most of all is that you care about them. That you are putting people first. A lot of times, this is an organizational throw-away line that substitutes for authentic action. In our industry, it looks more like this: Pay people good money. Say nice things to them from time to time (or not so much) and give them more dirt to shovel. It is safe to say that many people wore out their shovels in 2020. A



Business Manager & F.S.T. James Paquette Business Representative Ken Elworthy Business Representative Richard Mangelsdorf Troy Clutchey Business Representative

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By Mark Breslin CEO, brezlin.biz

level of fatigue has set in that is easily recognizable. Alcohol sales being up 32% might be some indicator here, but I guess coping comes in a lot of forms.

The truth is that what really jumped out at me is the power of authentic caring by leaders. Maybe that was because of our collective state of mind, which is a cross between agitated and anxious. That said, it is the leaders who are exhibiting care, calmness, and compassion that seem to stand out.

I will admit, during 2020, I personally found these attributes in short supply more than once. As the pressure stayed on all year, I found myself lacking empathy at times. Lacking patience. Lacking understanding. Worn thin. Not thinking about the feelings, challenges, and fears of others. I imagined myself in other people's shoes, but I did a poor job of it. I guess I failed in my leadership when I acted as though everyone were like me. What I learned was that the moment that I showed human concern, I got the best results. Where my commitment and empathy faded and I ended up empowering others to lead, they did so better than me. I will not forget these lessons. And these are not temporary lessons—they are vital ones even for someone who has held the CEO label for a long, long time.

How do we do it? By stopping long enough to display enough care so they can feel it too. By shifting priorities and perspective. By moving beyond driving for results. By recognizing that the grind does have limits. To instead lend the kind words and actions that compensate for the uncertainty and stresses our people continue to endure. To lead with empathy and care.

The key for all of us leaders as we go forward into 2021 is never to lose focus on what is most important in our leadership role: it is the people first, and they need and deserve the sincere care and empathy that comes with us being the best version of ourselves.

Mark Breslin is an author, speaker, CEO and influencer inspiring change for workplace success across all levels of business. Mark has improved leadership, accountability, innovation, and engagement for organizations and individuals. He has spoken to more than 400,000 people and hundreds of thousands of copies of his books on leadership and workplace culture. See his work at breslin.biz.

STANDARD FORM CONTRACTS AND THE **MYSTERIOUS AMENDMENT**

Many contractors appreciate the importance of utilizing written contracts for their construction and renovation projects. Standard form contracts such as those developed by the Canadian Construction Documents Committee (the "CCDC") can be particularly useful when employed correctly.

There are risks, however, with blindly using standard form contracts that do not conform to the actual expectations of the parties involved. There are also dangers with failing to clearly delete inapplicable sections, as evidenced by the recent case of Anway Construction Ltd. v Hunte, 2020 BCSC 601.

The Facts

In that case, the defendant homeowners hired the plaintiff, Anway Construction Ltd. ("Anway") to demolish their existing house in Vancouver, B.C. and build a new, energyefficient 'passive house' in its place.

The parties executed a written agreement using a standard template CCDC 3-1998 cost-plus contract that contained a guaranteed maximum price option (the "GMP Option"). The GMP Option, if utilized, effectively sets the maximum price that could be charged under the contract. However, given that Anway apparently never set fixed prices for their work, the guaranteed price option was left blank.

As a requirement for the owner's financing, the owner's lender ("BMO") insisted upon a copy of a signed contract detailing the total expected cost of construction. Given that much of the details pertaining to the house were still undecided, the parties had only discussed general estimates.

When BMO was provided with a copy of the signed agreement that failed to articulate the anticipated costs, BMO communicated to the owners that they would not be able to provide financing if the costs of construction were unknown.

In some mysterious fashion, BMO acquired a copy of the contract with the figure \$925,000.00 written in the spot for the GMP Option. Interestingly, the only copy of the contract produced at trial which stated this maximum price was the copy on file with BMO.

Anway demolished the old house and began construction of the new one but did not complete. After experiencing some issues with financing and paying Anway nearly \$1 million, the owners refused to pay anymore, taking the position that the contract had a guaranteed maximum price of \$925,000.00. As a result, Anway abandoned the project and demanded payment for the work that they had completed.



By Matthew T Potomak, and Jeremy S. Koch, Kuhn LLP

Eventually, Anway sued the owners for their unpaid invoices, totaling \$132,989.37. The owners counterclaimed for \$1.46 million for the cost of hiring another contractor to complete construction and other damages.

The Decision

Much of the court's analysis examined whether there was, as the owners alleged, a guaranteed maximum price in the contract. The owners claim that Anway verbally communicated a maximum price of \$925,000.00. Anway denied this representation, stating that they never provide a fixed price.

At summary trial, no one was willing to admit that they added the amendment. It appeared that there was an irreconcilable conflict in the evidence on the question of how the \$925,000.00 figure first came to be placed on the copy of the contract in BMO's file.

After weighing all the evidence, the court determined that it must have been someone from Anway who sent BMO the amended contract.

The court concluded that there was a guaranteed maximum price of \$925,000.00 and Anway was in breach of their contract for billing the owners in excess of the guaranteed maximum price. The court dismissed Anway's claim and granted judgement in favour of the homeowners and against Anway in the amount of \$836,944.03.

Lessons Learned

- 1. Exercise caution in using standard form template contracts. Ensure you are using the most suitable form of contract for the specific project and one that conforms to your standard business practice. If you are unsure, seek legal advice in advance.
- 2. It is good practice for handwritten amendments in a contract to be initialed by both parties. While in this case the court found that the handwritten amendment was valid despite the lack of initials from both parties, this will not always be the case. Initialing handwritten terms can improve certainty and help avoid costly disputes.

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SMACNA-BC UPDATE

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in your company's 2020 injury and illness records. Sending in the online survey is quick, easy, and completely confidential.

Canadian member companies are also encouraged to complete the survey and will be automatically directed to their survey once a Canadian province is selected. The deadline for submissions is May 7, 2021.

By completing the Safety Excellence Award Program Survey, your company can achieve national awareness for its safety achievements and also gain a historical benchmark to use when measuring future growth.

Additional survey features include:

The ability to create an "account" allowing participants to start a survey, save it, and then go back later to edit and complete it.

Upon survey completion and submission, a PDF copy of a participant's responses are sent to the participant via email.

Completed survey submissions automatically allow participants to enter to receive the SMACNA Safety Innovation Award, which recognizes innovative ideas and best practices that advance safety efforts among SMACNA member companies.

View the 2020 SMACNA Safety Statistics Profile at smacna. org/docs/default-source/default-document-library/smacna---safety-profile---2020.pdf

If you have questions about the Safety Excellence Award Program Survey or the Safety Innovation Award, please contact Mike McCullion, Director, Market Sectors and Safety, at mmccullion@smacna.org.

STAY SAFE! •

INDUSTRY NEWS

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more information about the survey or the Best Practices Market Expansion Task Force, contact Maggie Powers, Assistant Director of Labor Relations, at mpowers@smacna.org.*

SURVEY RESULTS

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condos, while others are looking ahead to invest in leadership, supervisory, and other professional development training for staff.

And finally one respondent was particularly optimistic about the silver lining in weathering the storm together: "Our greatest opportunity for 2021 is to stay together as a team. When we can get through a pandemic together, there is not much that can get in our way. Being there for each other strengthens the relationship."

IT'S THE LAW

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3. If a term of the contract is not being used, it is good practice to delete it or clearly strike it through and have both parties initial the deletion. Leaving sections blank can be risky.

This article was written by Matthew T. Potomak, lawyer, and Jeremy S. Koch, articled student, who practise in construction law with the law firm of Kuhn LLP. This article is only intended as a guide and cannot cover every situation. It is important to get legal advice for specific situations. If you have any questions or comments about this case or other construction law matters, please contact us at 604.864.8877 (Abbotsford) or 604.684.8668 (Vancouver).

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