



CHAIR'S MESSAGE

National Infrastructure Assessment



One of the most rewarding facets of a career in consulting engineering is that it impacts so many aspects of our quality of life. One way we make our input felt is through infrastructure – the physical assets that allow us to fulfil the social, economic and environmental goals of our communities, our regions and our country. While it is the planning, design

and delivery of projects that receives the most recognition, consulting engineering firms offer an incredible range of engineering and other professional services – including strategic advice that allow infrastructure projects to happen – and the experience and expertise we bring to the table is truly world class. Our industry now has a unique and unprecedented opportunity to constructively influence federal government policy and investment in infrastructure for several decades to come through a once-in-a-generation project launched by the federal government.

On March 16, the Minister of Infrastructure and Communities initiated Canada's first ever consultation process on infrastructure. The National Infrastructure Assessment will help identify Canada's evolving needs and priorities in the built environment and undertake evidence-based, long-term planning toward a net-zero emissions future. By continuing to link investments with outcomes, a National Infrastructure Assessment can guide infrastructure policies and programs to ensure they contribute to a strong and equitable recovery that creates good jobs, grows the economy and builds cleaner, more inclusive communities for all Canadians. To help with the creation of this Assessment, the government has invited the public, Indigenous peoples, provinces, territories, municipalities, and stakeholders to share their vision for this Assessment on three main priorities:

- Assessing Canada's infrastructure needs and establishing a long-term vision;
- Improving coordination among infrastructure owners and funders; and
- Determining the best ways to fund and finance infrastructure.

These priorities are outlined in a paper published with the announcement of the consultation titled, *Building the Canada We Want in 2050: Engagement Paper on the National Infrastructure Assessment*.

ACEC-Canada has been acknowledged by the Minister as a key stakeholder that can help shape this important exercise. We have had several (virtual) face-to-face meetings

with the Minister and her advisors, to exchange preliminary ideas on how to create and then leverage the Assessment such that the government will be investing in the type of infrastructure that grows our economy, strengthens and connects our communities and protects our environment. As the country looks ahead to rebuild from the impacts of the pandemic, Canadians need to know that well-designed and well-executed infrastructure can generate a strong return on investment, as demonstrated in numerous studies linking infrastructure investments and economic performance.

The National Infrastructure Assessment and the current initial consultation process are both excellent opportunities for ACEC-Canada to provide industry expertise and input on long-term infrastructure needs and priorities. ACEC-Canada's consultation brief will include clear recommendations around the mandate, structure and governance for the Assessment. If implemented, these recommendations would ensure the Assessment is developed based on expert advice and is used, as it is envisioned, as a non-political, data-driven resource and tool to inform Canada's infrastructure policy and investment for many years to come.

ACEC-Canada further believes the Assessment will need to take an in-depth inventory of the current state of infrastructure, establish a long-term vision as to where we would need to be, and then develop a clear road map to achieve that vision. The inventory, vision and roadmap stages should each be regularly reviewed and updated to reflect current realities, evolving technology and changing societal priorities. Most importantly, we believe the National Infrastructure Assessment needs to measure progress.

The federal government has stated that next steps will be determined following the June consultation. These would include forming an independent advisory body, setting out the processes for obtaining expert advice, ongoing public engagement and producing interim studies and reports to inform infrastructure policy and investment. It is critical that our industry plays a key role in the Assessment's development and ongoing work. That is why ACEC-Canada intends to continue to contribute to the process and ensure that the knowledge, experience and expertise of the consulting engineering sector is fully and properly leveraged in shaping Canada's strategic long-term vision for infrastructure. Our sector can make a substantive contribution to our country's recovery and its future and ACEC-Canada will ensure we are at the table to support this nation building endeavor.

ANTHONY KARAKATSANIS, P.ENG.

CHAIR, BOARD OF DIRECTORS, ACEC-CANADA



ACEC - CANADA IN ACTION

Ensuring the voice of the consulting engineering sector is loud and strong

One of our core activities as the national voice of the consulting engineering industry is to advocate for a public policy and business climate that creates opportunity and prosperity for the sector and its clients in all sectors. We achieve this by maintaining ongoing relationships with federal government departments that impact our industry and undertaking activities that showcase the depth and breadth of knowledge consulting engineering firms bring to the improvement of the social, economic, and environmental quality of life of Canadians and people across the globe.

Over the past months, there has been significant government relations activity by the ACEC-Canada team. We share this high-level overview of our advocacy efforts in action.

Building for Recovery coalition

Timely and effective infrastructure investments continue to be advocated by ACEC-Canada and its construction sector partners in the *Building for Recovery* coalition. The coalition, initially launched in fall 2020 has been actively engaging government throughout the first quarter of 2021. Alongside the Canadian Construction Association, Associated Equipment Distributors, and the National Trade Contractors Coalition of Canada, *Building for Recovery* is focused on the shared message that infrastructure is

key to Canada's economic recovery and that all levels of government must work together to expedite investments in a timely manner that ensure Canada builds for recovery.

The coalition's recent activities garnered attention from Infrastructure Canada. Meetings took place with the Minister's Office and an Assistant Deputy Minister to discuss data and reporting of committed infrastructure funding and projects approvals. The discussions proved to be a positive step toward establishing stronger relationships with the department and Minister's office and further reinforcing our industry as an important stakeholder. These discussions also helped secure an invitation for ACEC-Canada to participate in a roundtable discussion hosted by the Minister on the National Infrastructure Assessment, which is discussed later in this article.

The coalition also wrote to the Minister to recommend that the acceleration of infrastructure funding could be achieved through a rapid response stream for all types of projects introduced under the *Investing in Canada* plan. This approach would include streamlined requirements and expedited approvals to help to get projects started earlier and money flowing into the economy as soon as possible. The coalition cited the Universal Broadband Fund's rapid response stream as an example of an effective and expedited program. To ensure that *Building for Recovery*'s message reached a broader political and public audience,

the coalition also drafted an op-ed and placed an advertisement on our work that appeared in the April 14th issue of *The Hill Times*, an Ottawa publication widely read by Members of Parliament, political staff, and bureaucrats. The op-ed highlighted *Building for Recovery*'s topline message that investing in infrastructure will help Canada can emerge from the COVID-19 pandemic stronger than before and be ready to tackle the societal and environmental challenges of the future. In the op-ed, the coalition also reiterated the ask made to Minister McKenna to introduce a rapid funding stream for all projects under the Investing in Canada Plan to help fuel Canada's economic recovery from the pandemic and deliver infrastructure investments quicker.

ACEC-Canada and the partners continue to promote *Building for Recovery* on social media while engaging directly with government. The coalition is also meeting regularly to ensure that the pressure and momentum of this advocacy continues as the federal government continues to develop plans for post pandemic economic recovery.

The Federal Budget

On April 19, the Minister of Finance tabled the government's first budget in two years. In the months leading up to this long-anticipated budget, ACEC-Canada ensured its pre-budget recommendations from August 2020 were front and centre with members



of the Finance Committee. The team met with several committee members to brief them on the importance of prioritizing investments that enable economic prosperity, productivity, and a stable recovery. We also participated in a new pre-budget consultation process with Finance Canada which occurred in addition to the usual parliamentary pre-budget consultation process. In the rapidly changing environment of the pandemic, this additional budget consultation process allowed us to revise and update the submission that was made to the Finance Committee in August of 2020. In this updated submission, three key recommendations were emphasized:

- Prioritizing investments that will close the infrastructure deficit and enable economic prosperity, productivity, and a stable recovery.
- Adopting best practices that achieve sustainability, innovation, and life cycle savings from infrastructure investments; and
- Reinstating and reenergizing the *National Guide to Sustainable Municipal Infrastructure*. Budget 2021 provided the government's roadmap to economic recovery post-crisis and a plan to build a stronger and greener economy. Themes recurring throughout the budget included support for the hardest-hit sectors, investments in green energy, and support for those who have been disproportionately impacted by

COVID-19. ACEC-Canada looks forward to continuing to work with government to shape their initiatives while also advocating for balanced infrastructure spending between transformational projects and core infrastructure for the economic recovery ahead.

National Infrastructure Assessment

On March 16, the Minister of Infrastructure announced a consultation process on the first National Infrastructure Assessment. Part of the federal government's climate plan and highlighted as a priority in her mandate letter, the assessment will inform strategic infrastructure policies and investments for the next 30 years.

ACEC-Canada's President and CEO John Gamble participated in a roundtable discussion with the Minister in late April to discuss the Assessment and the ongoing consultation process. The opportunity to participate in this discussion demonstrated how ACEC-Canada is already being viewed as a key stakeholder in this initiative, while allowing us to share some of our initial feedback.

The initial consultation process, which is focused on setting up the Assessment for success before creating the Assessment itself, has been a key focus of our government relations activities over the past few months as we prepare a submission on behalf of our industry. ACEC-Canada is looking forward to being involved in future

stages of developing the National Infrastructure Assessment.

Testimony to the Standing Committee on Transportation, Infrastructure and Communities

On April 27, ACEC-Canada President and CEO John Gamble appeared as a witness and subject matter expert before the House of Commons' Standing Committee on Transportation, Infrastructure and Communities for the committee's study on how targeted infrastructure investments can influence social economic and environmental outcomes and improve the lives of Canadians – particularly underserved Canadians in vulnerable communities. This appearance offered ACEC-Canada the opportunity to highlight the following key recommendations to the committee on targeted infrastructure investment:

Strike a balanced approach between investing in core “nuts and bolts” infrastructure and more transformative projects to generate the economic capacity to invest in the transformative projects.

Provide infrastructure programs that are agile and varied that reflect the diverse needs and priorities of communities across Canada

Ensure that eligibility criteria and “policy lenses” are flexible and scalable so that project screening is appropriate and proportional to both the size and nature of the project.

Allow communities to apply for, and secure funding for multiple projects over several years based on asset



management plans that outline their strategic infrastructure goals and local needs, rather than having them constantly re-apply on a project-by-project basis; and

Support community capacity building by reinstating and updating the *National Guide to Sustainable Municipal Infrastructure*, also known as *InfraGuide*, as highlighted in ACEC-

Canada's pre-budget submission.

The Next Federal Election

In a minority Parliament context, the possibility of a federal election continues to be present. The likelihood of an election in 2021 remains high, given that the lifespan of minority governments in Canada are 18 months, on average. Following the last federal election in September 2019, this brings the current government right to this average point. With more Canadians being vaccinated every day, the likelihood of a federal election in late summer or early fall is high. Over the past months, there have been signs that the parties are preparing for an election with candidate nominations and the movement of key political staffers into high profile party roles. In addition, the Liberals have recently included amendments to the Canada Elections Act in Bill-30, the omnibus bill to implement certain measures of the budget tabled in April. These changes to the Canada Elections Act are aimed at facilitating a federal election while the pandemic is still ongoing. The inclusion of these amendments in Bill C-30, which is likely to be passed before the summer recess, indicates that the Liberals want the option of calling an election before they return from their summer recess.

Our team has already begun developing a strategy including key messaging, grassroots engagement, hosting a forum on infrastructure policy, engagement with other industry partners, and analysis of the party platforms, debates, and election results. The strategy will continue to be refined over the course of the summer to ensure all government relations tactics and messaging are in place for the next federal election.

What's Next?

The ACEC-Canada team plans to build on the momentum of the past months. While the House of Commons is scheduled to recess on June 24, the business of government will continue through the summer. Once our National Infrastructure Assessment submission is completed, we will leverage our communications and stakeholder relationships to socialize our recommendations. As Members of Parliament turn their attention to constituent issues while in their ridings, the coming months will be an excellent opportunity to ramp up our Parliamentary Partners Program. This grassroots government relations strategy empowers employees of member firms to discuss the issues faced by our industry with their local representative, strengthen our advocacy key messaging, and showcase the important contribution their firm makes to the community. As we look towards a potential late summer or early fall federal election, building these local connections now will be important for our grassroots election engagement in the future.

Deltek.

Ten essential metrics of high-performing engineering firms

Your business is changing and you need to work smarter and faster than ever before. But, is all of your work paying off, or are you barely keeping up?

Engineering firm success can be quantified in many ways, but one thing is certain: high performing firms are tracking essential metrics so they can keep projects on track, reduce scope creep, and boost firm performance and profitability.

Ten essential metrics that high-growth engineering firms are tracking, along with industry averages, include:

- Operating Profit on Net Revenue - 19%
- Net Labor Multiplier - 2.97
- Overhead Rate - 146%
- Total Payroll Multiplier (Revenue Factor) 1.75
- Utilization Rate - 61%
- Projects On Budget/On Schedule - 65%
- Net Revenue Growth Forecast - 4%
- Win Rate/Capture Rate - 48%
- Employee Turnover Rate - 12%
- Staff Growth/Decline - .05%

How does your firm measure up?

To determine if your firm is in high-performance mode, compare these key performance indicators with your firm's averages from last year. If you are above average, congratulations! If you are below par, we suggest tracking these metrics on a monthly basis so you can easily make modifications to boost your firm's performance.

If you're ready to explore additional metrics and market trends, read the 42nd Annual Deltek Clarity Architecture and Engineering Study, a leading industry market trends report. This report provides insight across core business functions, including financial management, project management, business development, human capital management, and technology trends, that helps architecture and engineering firm leaders more effectively run their businesses – so they can boost profitability, utilization and growth.