

**ACEC Summit, Whistler, BC
CEO and Principals' Roundtable
June 26, 2009**

Moderator: Yves Cadotte (SNC Lavalin)
Reporter: Jeff Morrison (ACEC)
X-Large Firms (851+ Employees)

Participants:

Yves Cadotte (SNC Lavalin)
Pierre Shoiry (Genivar)
Dave Amm (Hatch Mott MacDonald)
Kazamir Olechowicz (CIMA +)
Wilfrid Morin (Teknika-HBA)
Art Washuta (AECOM)
Rick Prentice (Stantec)
Norm Huggins (CH2M Hill)
Dave Traves (Stantec)
Peter Moore (IB! Group)
Tom Wingrove (AECOM)
Richard Gilbert (Reed Construction Data)
Leon Botham (Golder Associates)
Angus English (AECOM)
Francois Plourde (CIMA +)
Blair Peacock (AMEC)
Ian Darrach (AMEC)
Jeff Morrison (ACEC)

Topics:

By show of hands, the 4 top issues the group agreed to discuss included human resource challenges, the economy and government funding, Qualifications-Based Selection, and public-private partnerships.

1. Human Resources

- **Is shortage of human resources still an issue?**
- **How can we attract more engineers and technicians to the industry?**
- **Is training in universities adequate?**

Responses:

- The industry needs to better publicize itself, and demonstrate the value it offers to employees.
- There needs to be better co-op training, and educate students about engineering in the "real world".
- Students should be encouraged to take studies at the M.A. level.
- Promotion needs to occur early – convince students at the high school level.

- Human resources is still a key concern. This is still a shortage of technicians and technologists.
- There is a gap in middle managers, reflective of the lack of hiring following the recession of the early 1990s.
- The industry needs to use its Young Professionals more effectively – the industry needs to listen to them.
- There needs to be more emphasis put on mentoring.
- Retention and engagement of existing staff is also key.
- One advantage of labour shortages is firms may be able to charge higher rates.
- Companies could look to hire more staff from their clients or governments.
- There is an ongoing challenge regarding catering to the demands of younger staff (eg, flexibility, work sharing, flextime, etc). It is difficult to meet client demands with flextime.
- There has been an increase of poaching / raiding from other companies.
- Companies need to create a positive work environment for their employees.
- There needs to be more media coverage about leading edge projects as a way of exciting young people (perhaps a media conference on the site of award winners). Use electronic media, since that is what excites younger people.

2. The economy and government funding

- **How is the current economy affecting your firm?**
- **What, if any, impact has there been on employment?**
- **Have you seen any benefits yet from the government stimulus money, and what about the recurrence of the funding?**

Responses:

- In Quebec, there has been little impact of the recession on firms, although companies working with the mining or manufacturing sectors have felt the impact.
- Price has become more important as governments and clients seek to cut costs. Smaller firms are able to charge less.
- There has been more project availability, and more bidders on projects – infrastructure projects are more competitive.
- The industry in Ontario is still busy, but Alberta could be busier.
- The energy sector is still weak, particularly oil and gas.
- There are not as many green projects available.
- Land development is a down sector.
- ACEC needs to lobby for a permanent, dedicated infrastructure fund (like the Gas Tax Fund).
- Infrastructure lobbying needs to incorporate the principle of sustainability. There should be greater attention paid to the work involved in environmental assessments before infrastructure projects move forward.
- The public needs to be kept supportive of greater infrastructure investments. The public should be educated as to the importance of quality infrastructure.
- Infrastructure lobbying should be done in partnership with other groups. Relevant cost statistics should be used where possible.

3. Qualifications-Based Selection

- **What actions are needed to improve the use of QBS?**
- **How else can firms ensure reasonable payment and fees?**

Responses:

- The Quebec legislation and the Parliamentary report were important, forward looking steps.
- Many owners tend to think that a 80-20 weighting system is QBS – they need to be informed that is not.
- When price is included to any degree, firms will do what they can to minimize the price – therefore the price weighting is irrelevant – the fact that price remains included is the point.
- Public Works and Government Services Canada needs to better evaluate the technical component of proposals.
- The industry needs to explain the benefits of QBS to clients.
- In Quebec, fees are pre-determined via an AICQ fee guideline. The Quebec industry feels they are reasonable and at a sufficiently high level.
- There should be a more standardized fee guideline / payment process.
- Generally, procurement officers are not familiar with the engineering industry. An interview process needs to be established.
- Some participants felt that smaller jobs should be bundled when it is the same client – ie, a large project should not be broken out into many small projects. Smaller ACEC member firms may not agree with this position.
- ACEC should aim for nothing less than federal and provincially legislated QBS.
- The TILMA agreement in BC and Alberta requires that projects over \$75,000 be advertised in both BC and Alberta. There are fears about the impact of TILMA should it go national.

4. Public Private Partnerships

- **Have your firms participated in any PPPs?**
- **What upsides and downsides do they bring?**
- **Can you still ensure quality work with a PPP?**

Responses:

- It was reported that Francois Plourde is Chairing a new ACEC PPP Task Force.
- Contract negotiations in a PPP can be difficult. PPPs are generally lucrative for winning firms, but are costly for losing firms.
- Proposal presentations are very stressful for staff – they are burning people out.
- Generally however, PPPs are very visible, “sexy” projects, and therefore bring a high level of exposure to the firm.
- From an engineering perspective, PPPs and design build are very similar projects.
- Given the relative early use of PPPs, it may be too soon to assess their impact on firms in Canada.

- Given the global credit crunch, some PPPs have been delayed, shelved, or altered. More public money is being allocated rather than a reliance on private money.
- The industry needs to educate owners and governments about the upsides and downsides of PPPs.
- The client and design team need to have open communication.
- The Quebec PPP agency is not overly transparent.
- The issue of foreign firms bidding and winning work on PPPs is an issue for the Canadian industry.
- There needs to be guidelines or some form of communication provided to engineers on the upsides and downsides of PPPs. The ACEC Task Force should focus on providing that sort of guidance.
- Firms need to look at the contract language in a PPP in order to reduce their risk.