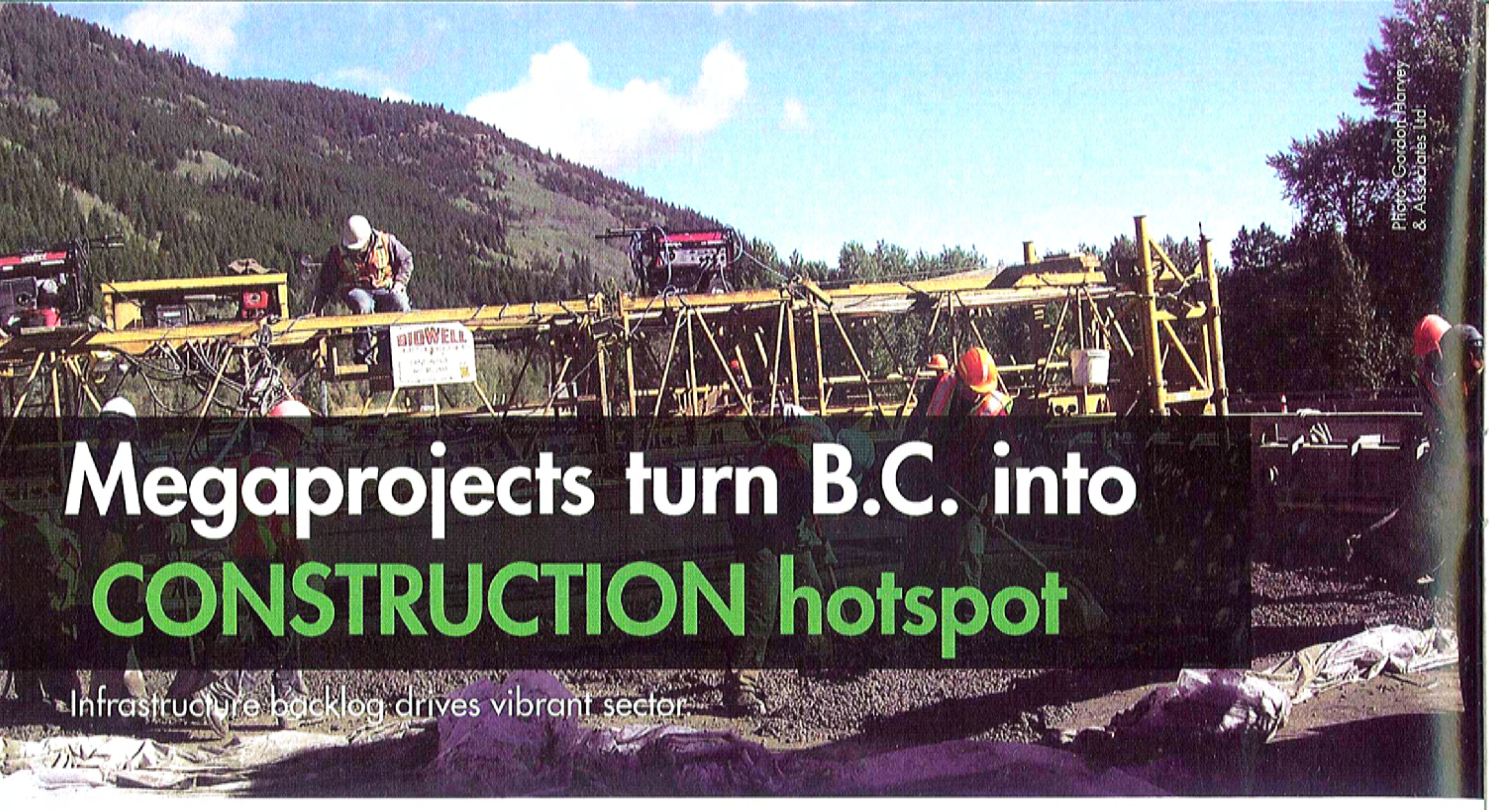

Photo: Gordon Harvey & Associates Ltd.

Megaprojects turn B.C. into CONSTRUCTION hotspot

Infrastructure backlog drives vibrant sector

By Tonia Jurbin

The construction business in B.C. is good right now...very good. Throughout B.C., the number of projects on the Major Project Inventory list (that identifies projects over $15 million and spans roughly 10 years) sits at about $118 billion, up from $65 billion in 2005.

Contrary to what some might think, the 2010 Olympics is behind only a fraction of the boom; it isn't even on the radar of many B.C. contractors. They've got bigger fish to fry with:

- the RAV rapid-transit line ($2 billion)
- the Vancouver Convention Centre ($600 million)
- Sea to Sky highway improvements ($2 billion)
- the Gateway project ($2 billion)
- Golden Ears Bridge ($600 million)
- the deep seaports in Vancouver ($1.5 billion)
- the Port of Prince Rupert ($2 billion)
- and the residential boom in the South Interior, to mention only a few.

"The Olympics is only worth about $600 million" reports Keith Sashaw, president of the Vancouver Regional Construction Association (VRCA) representing members from Whistler to Hope, "but 2010 was the spark that lit the investment flame in B.C."

"This construction boom is unlike anything else we've seen" Sashaw continues, "in the past, the building cycles were generally about seven years from peak to peak and trough to trough. This cycle is different than our historical cycles. It is already way stronger, and we expect it to last longer than seven years because we are strong in every region of the province and in every sector. This is very unusual." Northern B.C. with about eight per cent of the population, accounts for 25 per cent or $30 billion of the $118 billion, Vancouver Island about $20 billion and the South Interior about $18 billion.

There's something else unusual about this cycle: in the past, B.C. has been counter-cyclical to the rest of Canada. Right now, with all of Canada being strong, the labour shortage is felt more acutely than in the past when workers would migrate from areas where the economy was weaker.

INADEQUATE INFRASTRUCTURE

While the typical industry lament is the acute labour shortage felt in most large centres, there is another equally distressing problem in B.C.'s lower mainland: the ever-increasing challenge of keeping goods and people moving around the woefully inadequate transportation infrastructure.

Poor transportation infrastructure is compounded by the problem of an ever-decreasing area of land being set aside for heavy industrial use. There is intense discussion over the availability of heavy industrial lands as municipalities move towards the "industrial-park" model. If you can't mix concrete, manufacture pipe, fabricate steel sections or stockpile materials close to the centres where they are needed, it has to be transported from further away. Moving crews around is also problematic on the lower mainland's clogged roads.

Sashaw talks about the impacts of this on his association's members. "Langley, Surrey, and Abbotsford members won't even bid on jobs in Vancouver any more, because they have to cross the bridge. The VRCA is a strong supporter of the Gateway and Golden Ears bridge projects. Furthermore, the expansion of the Vancouver ports and YVR will be key in the development of B.C.'s economy and the role it will play in the global market".

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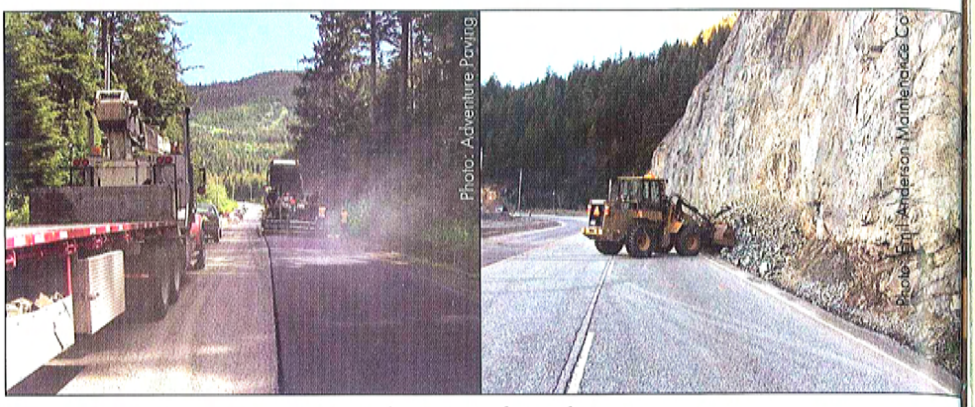


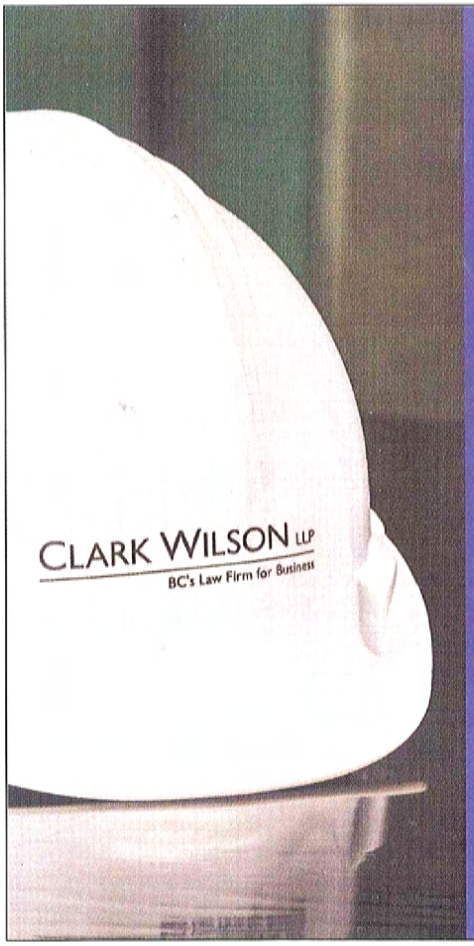
B.C.'s roads are major focus of attention.

As bad as the transportation issues are, the elephant in the room is the shortage of skilled workers. A projected 20,000 workers are expected to retire over the over the next five or six years. For a general contractor, that could represent 20 per cent of his senior staff and 50 per cent of his volume. Compounding this is the fact that now is the worst time to lose these workers, because there is so much work and it is getting more difficult to give unskilled workers on-the-job training that jeopardizes productivity rates.

It isn't just skilled trades that are in high demand. Baby boomers who have experience as estimators, site supervisors and project managers will have to be backfilled when the mass retirements start. Sashaw explains, "The 1990s were horrible for construction. In 1992, there were about 45,000 housing starts. That dropped to about 16,000 by 1994, so during the 1990s we lost many of our skilled workers through layoffs. That has had a long-term effect on the industry."

He adds that recruiting efforts are intense. "In January 2004, we had about 60,000 workers in the lower mainland. In 2007, we have about 105,000—so we have been really successful in our recruitment efforts. But we know that we still need another 30,000 to 40,000 more workers because of attrition and because of the huge construction volume we're facing."

Retention is a focus at the PCL Group of companies. Shelley Neil, manager of Special Projects, talks about the skilled worker shortage in the B.C. region where the firm's volume is about $400 million. "We have upwards of 300 hourly workers in the lower mainland and another 50 in the B.C. Interior. We are expecting retirement of our baby-boom workers over the next 10 years, so retention is something we focus on. We've seen this



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coming and we started to prepare for it years ago."

Neil adds that the firm's retention rate is very good and that many of its workers have more than 25 years of service. "Our difficulty is finding skilled workers, because there are many good hires right now but they are less experienced. We've attended job fairs overseas and we've successfully recruited skilled workers in the last few years, though not a huge number. Our main focus is still recruiting within Canada."

As the labour pool shrinks, nontraditional sources of labour are being explored among women and First Nations people.

WOMEN IN CONSTRUCTION

Neil has found another vehicle for her passion to attract, recruit, retain and, most importantly, support women in the construction industry as the president of Canadian Construction Women. "CCW is a vibrant organization supporting women in the construction industry, and I believe that we are living that vision. We have a full and active board; over 240 members including students that encompass every aspect of the industry; professionals, trades, legal and suppliers."

While the programs that PCL and other corporations have developed are working well for them, smaller contractors don't have the luxury of such elaborate human-resource initiatives. This is where the British Columbia Construction Association (BCCA) is making contributions to industry and making a difference in the lives of the people who have been placed by the innovative programs that they are developing.

Manley McLachlan, president of the BCCA, speaks about the BCCA Skilled Trades Employment Program (STEP) with pride, "From an association standpoint, we've initiated a suite of programs that are aimed at the trades, immigrants, women and aboriginal people." The STEP program is being developed through partnerships with the Construction Sector Council and funded by the Human Resources Development Services Canada and various other agencies.

I–STEP is a program for landed immigrants, whereby BCCA connects them with employers and helps them get formal training. Manley explains their specific needs: "Of the 43,000 immigrants that come to Vancouver, almost half of them are called 'engineers.' However, that word is used differently in different countries. Since they have lots of useful skills, they can successfully enter the trades programs."

McLachlan notes that BCCA has job coaches located in the local construction

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association offices, so they know the employment needs of the companies and they know the local economy.

"The I-STEP program is already making a difference. The first individual we placed was a crane operator with 14 years of experience from Hong Kong. We found him driving a fork lift in Prince George on a night shift for $12 an hour. We arranged ESL training for him and placed him with a company, where he is now the only person on site who knows how to run their new equipment. He's making $32 an hour. We found him because this program works with other immigrant serving agencies. From about mid November 2006 to now we've placed 156 people, and that is from a standing start."

Infrastructure upgrades are critical to B.C.'s growth.

Photo: ARC Ashphalt Recycling Corp.

The EU-STEP program connects BCCA's membership with skilled construction workers in the European Union, especially Germany, Finland and England. This program started in the fall of 2006 and has so far brought about 80 individuals to 20construction companies in B.C. McLachlan explains, "Generally they come in at about 30 years old, but they've have been apprenticing since they were in their mid-teens and have about 14 years of experience in their trades. The idea of these hires is that they will be able to fill the anticipated middle-management gap."

The STEP for Women program is aimed at women who are looking to enter industry-related careers. This new program works in partnership with the Ministry of Economic Development, The Ministry of Community Services and the Metis Nation of B.C.

McLachlan reports, "Our goal is to get 80 per cent of the women who attend our two-day conference (Trades Women: A Winning Ticket!) in late April in Vancouver to sign up as volunteer mentors for women entering the STEP for Women program. We know that there are unique challenges for women, and that it is one thing to recruit them but another to keep them. Having a mentor on-site will assist in that retention."

ABORIGINAL SKILLS

The A-STEP program is an Aboriginal Skills Training Employment Program similar to I-STEP and is geared to run in partnership with organizations that serve the aboriginal community. One such partner is VanASEP, located in the lower mainland and funded through Service Canada's Aboriginal Strategic Employment Program.

VanASEP employs four job coaches based on the concept developed by BCCA. This program has been running about 18 months and has already placed about 1,000 workers—some 380 of whom are working towards their journeyman papers.

McLachlan elaborates, "Our focus with this program isn't just to get people jobs, but to make them career people in their industries." About 70 per cent of these hires are on Olympic-related projects. Many of those projects, being on First Nations lands, are subject to certain employment agreements, so many of the workers are coming in at entry-level positions with no training.

BCCA has developed another program for First Nations people in cooperation with the VRCA. Funded by the Industry Training Authority (ITA), the Construction Opportunity Retention and Employment (CORE) program offers a Certificate of Completion and 12 weeks worth of credit towards any trades program that is started within two years of taking the training.

The intensive, 12-week session gives the greenest prospects a chance to immerse themselves in the construction culture. During the first week of this competency-based program, the participants will take all the basic safety training they might need as a new hire—first aid, fall arrest, WHMIS, confined space—and over the next five weeks they learn about job-site housekeeping, hand tools, repairing extension chords, erecting scaffolding and other tasks. The last six weeks is spent in on-the-job training, for which they are evaluated.

Sashaw notes the long-term implications of the massive undertakings in the works around the lower mainland and throughout the province: "People are starting to realize that all of this construction is generating above-average income jobs and that, when these projects are complete, they will enhance the community. The activities we are undertaking today bode well for a broad-based future economy, as we establish ourselves as the gateway to China." ◆

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