

# DAILY COMMERCIAL NEWS

## AND CONSTRUCTION RECORD

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Extending stimulus deadline 'fair, flexible,' Canadian Construction Association says

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The federal government's granting of a one-time extension to its infrastructure stimulus program alleviates significant concerns Canadian construction stakeholders had with its original March 31, 2011 deadline.

"They have clearly listened to stakeholders and provincial and municipal governments. We appreciate their efforts to be reasonable, fair and flexible in dealing with the extension of projects," said Michael Atkinson, president of the Canadian Construction Association (CCA), in a statement.

The new deadline for infrastructure stimulus work to be completed is now Oct. 31, 2011. The \$16-billion infrastructure stimulus program has helped roll out more than 23,000 projects nationwide. Prime Minister Stephen Harper said the extension will allow "for virtually all the remaining projects to be completed, at no additional cost to the federal government."

In its Dec. 1 forecast, the federal Parliamentary Budget Office noted that approximately 940 infrastructure stimulus projects were in jeopardy of being incomplete by March 31, 2011, with a potential \$303 million lapse in federal contributions.

The stimulus deadline extension will apply to all projects rather than on a case-by-case basis and is directed at those funded under the Infrastructure Stimulus Fund, the Building Canada Fund Communities Component Top-Up, the Recreational Infrastructure Canada Program or the Knowledge Infrastructure Program.

Key among the required conditions to qualify for the extension are that projects must have begun work and incurred eligible costs by March 31, 2011. Also, for these projects, the agreement signatories must submit a claim for all eligible costs incurred up to March 31, 2011 by April 30, 2011. Projects for which no claims are received will not be eligible for an extension.

Agreement signatories will also be required to submit by Jan. 31, 2011, a list of projects that require an extension beyond March 31, 2011, a forecast of project expenses that will be spent and federal funding that will be claimed by March 31, 2011, and a forecast of how much will be incurred between April 1, 2011 and October 31, 2011.

Among the other extension conditions are a detailed construction schedule for each project signed by a professional engineer and that all final claims for extended projects must be received by Jan. 31, 2012 for projects not completed by October 31, 2011. Agreement signatories will be responsible for project completion as well as all costs incurred after the new deadline.

Various construction and municipal stakeholders agree that the extended deadline allows municipalities to avoid or remove additional clauses in their contracts that force contractors to absorb extra costs. Also, contractors will not have to feel compelled to cut corners to finish the projects.

Clive Thurston, president of the Ontario General Contractors Association, said the extension will help reduce general contractors' concerns about potential legal issues associated with not finishing projects by the deadline. Thurston believes all the stress around meeting the original deadline could have been avoided.

"Had the government worked better with the industry and listened to our advice in the beginning, all of this gnashing of teeth and hard stances would have been unnecessary," he said. "Also, I think the public would have received better value for their money and likely more jobs would have been created than have been."

The Residential and Civil Construction Alliance of Ontario (RCCAO) said the deadline extension indicates that the federal government has recognized the seasonal realities the construction industry faces.

"Our members are supportive of the extension," said Andy Manahan, RCCAO executive director. "Certain works could not be done over the winter months. For certain sectors like roads and sewer and water, winter weather would make completing projects difficult."

In a statement, John Gamble, president of the Association of Consulting Engineers Companies Canada (ACEC), said the infrastructure stimulus program "has been successful in both job creation and in allowing investment in infrastructure that may not have otherwise occurred."

ACEC added it looked forward to working with the government and industry stakeholders to develop a new national long-term infrastructure investment strategy.