



December 21, 2011

Honourable Bob Chiarelli
Minister of Infrastructure
Ferguson Block, 3rd Flr
77 Wellesley St W
Toronto ON M7A1Z8

RE: OSPE Response - "Building Together: Jobs & Prosperity for Ontarians", Ministry of Infrastructure

Dear Minister Chiarelli,

We are pleased to present you with the Ontario Society of Professional Engineers' (OSPE) submission of its review of *Building Together: Jobs & Prosperity for Ontarians*, the 10-year infrastructure plan by your Ministry. As a member of the Construction and Design Alliance of Ontario (CDAO), we provided input to the Ministry in October, 2010 outlining Investment Policies and Priorities for Ontario's 10-year Infrastructure Plan, and we are now pleased to respond to the 10-year plan as announced on June 24, 2011.

OSPE agrees and supports the following statement by CDAO which applies to all engineers working on infrastructure projects in the Province of Ontario. The statement further impacts the long-term positive recognition of the engineering profession.

CDAO is in full support of the province's initiative to develop a 10-year infrastructure investment plan. Such planning is critical to the stability and business planning capabilities of the design and construction industry. Without a reliable investment outlook going forward at least 10 years, the industry is unable to effectively plan to have appropriate resources including staff, equipment and materials sources in place. Maintaining a well-trained, skilled workforce is also difficult without forward planning tools and the effect of planning year to year with no vision for the future results in the chronic employment peaks and troughs within the industry. With a 10-year capital plan in place, buyers of both design and construction services as well as Ontario taxpayers will realize cost savings that arise from being able to plan business operations beyond a 12-month window. Quality, life-cycle

costing and safety will be enhanced as a result of a more stable, better planned budgets and schedules as well as a better-trained and prepared workforce.

OSPE's review of the 10-year plan (the plan)

OSPE views that there are four overriding issues of the plan:

- Investment and Financing
- Policy and Regulations
- Core Infrastructure Priorities
- Sustainability

At least one of these issues is addressed in each section of the plan. A general overview under each of the above headings follows, highlighting specific issues of importance to engineers and potential challenges OSPE foresees as concerns the successful implementation of the plan.

Investment and Financing

OSPE supported a CDAO recommendation to the Ministry that chronic under investment be addressed in Ontario's infrastructure. OSPE is pleased to note that the plan clearly addresses this issue and provides the background of the 'era of underinvestment' which places in context why a contemporary 10 year plan is necessary. The plan also recognizes the importance of creating stable and predictable municipal infrastructure investment.

OSPE recognizes there is a need for innovative means of providing government financing assistance and recommended in 2010 that the 10 year plan place a greater priority on the use of alternate models for the procurement of design and construction work. OSPE commends the Ministry for including in the plan a section on 'managing assets better' (pages 84 - 90). OSPE agrees that well-planned financing is critical for engineers to design and implement sustainable, long lasting infrastructure. But, while supporting new models of financing asset management, OSPE cautions that the government should carefully consider those new approaches. For example, reported plans for bundling design and construction projects to achieve the threshold of \$50 million may be financially beneficial but could potentially neglect other social and wider economic impacts that would be in the interest of all Ontarians - such as limiting the ability of small companies to bid on such projects.

The challenge the government and private sector will face in coming years is the uncertainty of global, regional and local economies which could affect financing directly or indirectly. As well, changes in the political landscape could diminish the willingness to provide long term funding in order to achieve short term gains.

Policy and Regulations

OSPE is particularly interested in the government's view towards policy and regulations as they directly affect engineers and participation of engineers in policy formulation. Our overriding concern is about previous governments' attempts to address regulatory 'red tape', duplication and relevance in an increasingly onerous regulatory environment. The plan seems to address regulatory reform and OSPE particularly supports the Ministry's attempts to help drive productivity gains, to meet on a quarterly basis with construction representatives, and to promote Ontario's construction sector abroad (pages 92 - 93). These measures will positively impact engineers and engineering companies' competitiveness and economic stability.

Core Infrastructure Priorities

Certainly OSPE is in agreement with the Ministry to focus on core public infrastructure projects (which does not downplay the importance of having social infrastructure as well). The Plan recognizes the need to align public services with demographic change and provides specific and focused plans for (A) Transportation, (B) Education and Innovation, (C) Health Care, (D) Rural Areas, Cities, and Regions (including the North), (E) Water and Other Environmental Resources, (F) Tourism and Culture, (G) Social Infrastructure, (H) Justice and (I) Government Services. Presumably the foregoing are arranged in order of priority. OSPE agrees with the priority sequence and suggests that without immediate attention to transportation issues, economic growth in Ontario will be jeopardized. We also stress the importance of education infrastructure, little of which was addressed in the last round of funding initiatives.

OSPE also endorses the core infrastructure priorities as set forth in the plan. It also agrees with the cautionary challenges presented by the Ontario Coalition for Sustainable Infrastructure in their letter to the Minister on July 22, 2011. The Ministry must be cognizant at all phases of the implementation and delivery of infrastructure plans that communication with all stakeholders is critical. There are pending massive changes in the workforce demographics in Ontario, and environmental changes/consequences and their impacts must be considered at all levels of project implementation and maintenance.

Sustainability

By definition, the plan covers at least 10 years of infrastructure development with the understanding that new and existing projects or systems are sustained beyond the decade of implementation. The Ministry lists its 'Moving Forward' section under each core infrastructure discussion and submits action items to sustain each type. OSPE agrees with these plans.

OSPE does caution that with the massive challenges facing infrastructure in the next decade, the Ministry and municipal, provincial, and federal governments should “stay the course” and not deviate from the stated objectives due to short term political and/or economic pressures.

OSPE applauds the substance and goals of "Building Together" and looks forward to working with the Ministry to ensure its successful implementation and delivery.

Sincerely,

A handwritten signature in cursive script, reading "Alourdes Sully".

Alourdes Sully, ing., M.Eng. Mgmt., P.Eng.
President and Chair