

BCCA Welcomes New Chair

The BC Construction Association (BCCA) is looking forward to a busy year under the leadership of its recently elected Chair, Steven Pavelich, managing partner and president of Wilson M. Beck Insurance Services (Kelowna) Inc. Passionate about promoting standard practices for the construction industry, BCCA will be placing strong emphasis on activities in this area.

Steve commenced his career in the construction insurance and surety industry upon his graduation from BCIT in 1991 with a Diploma in Financial Management. He was employed with Wilson Beck in Vancouver for four years before joining a national brokerage. In 1997 he formed a partnership with Wilson Beck and in November opened the Kelowna office.

Steve was elected to the Southern Interior Construction Association (SICA) Board in 1998 and served as that organization's Chair in 2004. Currently he is the Chair of SICA's Standards & Practices Committee.

In 2003 Steve joined the Board of Directors of BCCA and immediately got involved in Standards & Practices serving as the Chair of that Committee for the past two years. At a time when construction activity is off the charts in some areas of the province, having standard construction documents and tendering processes that promote an equitable distribution of risk among the various stakeholders and are readily recognizable within the industry is critically important. For Steve, increased advocacy in this area is essential to ensuring government is aware of the pitfalls of not using industry standard

documents and practices.

Also serving on the BCCA Board for 2008 will be:

Don Schuster - Forma Construction Ltd
Vernon

Patrick Waunch - Rambow Mechanical,
Kelowna

Dan Boissevain - LB Paving Ltd, Smithers

Bradley Stauber (Secretary/Treasurer) -
Central Interior Mechanical Ltd, Prince
George

Sue Zacharias - United Concrete & Gravel,
Williams Lake

Carole Bissett - Jardine Lloyd Thompson
Canada Inc, Victoria

Duane Fournier - Fournier Excavating,
Nanaimo

Ross McLean - Houle Electric Ltd, Victoria

Barry Scroggs (Past Chair) - Farmer Construction Ltd, Victoria

Robert Lashin - Houle Electric Ltd, Burnaby

Graham McIntosh - The Guarantee Company of North America, Vancouver

John Murray - Steels Industrial Products, Surrey

Anibal Valente (Vice Chair) - PCL Constructors Westcoast Inc, Richmond

Inside this Issue:

- BCCA welcomes new Chair
- PST Changes
- Feedback on Standard Docs

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BC Budget Incorporates PST Recommendations

Not long ago the BC Government was looking for input on how to simplify and streamline PST for contractors and the construction industry. The BCCA together with the Vancouver Regional Construction Association provided input to the Ministry of Small Business and Revenue by way of a brief position paper which can be reviewed on line at: <http://www.bccasn.com/reports.html>.

In the most recent budget released by the Province a couple of weeks ago a number of the suggestions put forth in that position paper have surfaced. It would appear that the PST Review Committee has listened to many of the concerns raised and plans to implement several of the recommendations.

In its initial review of PST, the Ministry offered three options for change. We favoured option 3 which was, that the contractor would pay PST on all machinery, equipment and materials installed under a construction contract. We chose this option because it reflected the simple status quo for the majority of construction contractors who use stipulated price or lump sum contracts. The key change with this option was that the contractor would pay tax on the cost of materials, regardless of the contract type for the related installation of the materials. The key

benefit was that tax cost would be minimized based on a contractor's cost of raw materials. A detriment with this option was that it did not address the issue of taxable or non-taxable services.

The recent budget accepted our recommendation and has proposed this option.

The BC Government will also adopt our recommendation on the flow-through to contractors for materials purchased for use in contracts with PST exempt end-users such as First Nations individuals and bands, aquaculturalists and farmers.

The proposals will not be implemented until October 2008, which will give the government time to design and implement the several legislative and regulatory amendments required. It will also allow contractors time to absorb these changes and to consider what effect, if any, each has on their operations and their contracting methodologies. Once these changes are understood and implemented, they should represent progress towards tax simplification for contractors, both in the administration of the tax and in dealings with Consumer Taxation Branch (CTB) auditors.

Feedback Opportunity on Standard Docs

The Standard Documents and Guidelines for a Stipulated Price Bid for use on Publicly Funded Building Projects in the Province of British Columbia which are being used on Education, Advanced Education, Healthcare and Local Government projects are undergoing an update for the new CCDC 2, 2008 and other changes. Any feedback on the document can be sent to Warren Perks at BCCA by March 17, 2008. The document and guideline can be found on the Public Construction Council of BC at <http://www.pccbc.com/preregistration.html>.



BC CONSTRUCTION ASSOCIATION

210-174 Wilson St., Victoria, BC V9A 7N6

Phone: 250-475-1077

Fax: 250-475-1078

Email: bcca@bccasn.com

The mission of the BCCA is to provide leadership and excellence in the representation of and service to British Columbia's construction industry