



# Construction Association of New Brunswick

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Hon. Blaine Higgs  
Premier of New Brunswick  
Po Box 6000  
Fredericton N.B. E3B 5H1

April 8, 2020

## **RE: COVID-19**

Dear Premier Higgs,

We know the Government of New Brunswick understands the impact of COVID-19 on construction contracts and contractors is unprecedented. As such, we are asking your government to help relieve some of the impacts on the industry and help ensure that the industry is there with capacity to build into the future.

We thank you for the on-going dialogue with the Office of Premier in terms of health & safety for our workers, as well as other departments within the government that have helped our industry adapt during this unprecedented time. The highest focus of the construction industry is on the health and safety of our workforce, their families, colleagues and communities.

At this stage it is difficult to quantify the impact the disruptions and delays caused by the COVID-19 pandemic is having on the industry in terms of cost; however, CANB is asking for provisional relief be granted to the industry in these challenging circumstances:

1. Confirm that under Provincial contracts, notwithstanding the provisions on a contract, the Government of New Brunswick will agree to give reasonable schedule extensions and relief from schedule and milestone delays caused by the COVID-19 pandemic;
2. Create an *Emergency COVID-19 Construction Cost Reimbursement Program* under which, on each Provincial contract and notwithstanding the provisions of a contract, the Government of New Brunswick will reimburse additional costs incurred by a contractor that are caused by the COVID-19 pandemic, where these costs are incurred after March 15, 2020. Eligible costs would not be limited to but would, as examples, include the following categories:
  - a. Additional health & safety costs;
  - b. Site security and maintenance costs;
  - c. General conditions;

- d. Extra insurance and bonding costs;
- e. Demobilization costs for the prime contractor, including demobilization costs paid by a prime contractor to its subcontractors, suppliers and manufacturers;
- f. Costs incurred to maintain reasonable delivery dates for project materials and equipment, including cost premium for alternatively sourced material due to supply chain interruptions;
- g. Additional cost to make up lost and reduced productivity related, for example, to time devoted to cleaning and protective activities, compliance activities and briefings, and reduced labour productivity due to distancing and related measures;
- h. Extended project and site rentals;
- i. Project-related overhead costs;
- j. Reasonable remobilization costs; and
- k. Other reasonable COVID-19 related.

This would clearly require reasonable record keeping, documentation and a degree of good faith on the part of both industry and the Government of New Brunswick. There would also be an expectation that each contractor should provide the Government of New Brunswick with reasonably prompt notice that they are incurring COVID-19 related delay and additional costs and that they are asking for relief under this program. Also, it would need to be clear that reimbursement under this Emergency Program would be in addition to, and not diminish normal entitlements under the terms of any contract.

CANB would recommend that eligible costs be reimbursed 5% of the contract value as a starting point, subject to the program being adjusted as the duration and full impact of COVID-19 become more clear over time.

We sincerely thank the Government of New Brunswick for the speed at which they have been able to respond to industry's concerns, as we adjust to the new landscape and we urge the Government to take the steps recommended by CANB immediately to provide the necessary means and relief for our members to deliver important services to the public in terms of delivering vital public infrastructure.

Sincerely,

John Landry

Executive Director  
Construction Association of New Brunswick  
Cc: President and Chair Rob Carvell P.Eng  
Cc: Bob Martin  
Cc: Bob Daigle