

For more than a decade, the OAA has advocated for governments at all levels to adopt Qualifications-Based Selection (QBS) as its method for procuring architectural services. We've been joined by the Royal Architectural Institute of Canada, Professional Engineers of Ontario, Association of Consulting Engineer Companies Ontario, Engineers Canada, and other professional organizations representing hundreds of thousands of professionals for the built environment in recommending QBS.

We commend the federal government for undertaking a QBS pilot to collect operational data. QBS has endorsed federally at least as early as 2006, when the Government of Canada, National Research Council and Federation of Canadian Municipalities jointly released an edition of the National Guide to Sustainable Municipal Infrastructure entitled "Selecting a Professional Consultant".

This document found that low bid procurement "is not appropriate for professional consulting services", arguing that the "recommended best practice" is "a competitive qualifications-based process". It noted that design typically represents only "1 to 2 percent of the overall lifecycle cost of a project" yet its "impact on both construction costs and operations/maintenance costs is significant". The document found that a small investment of an additional \$40,000 in design costs on an \$11.2M project would "return savings in a ratio of 11:1" (or \$450,000 over the lifecycle of the asset).

The document found that any requirement "to bid fees in a proposal call does not achieve the expected outcomes", focusing the consultant on "how to minimize fees to win the assignment" instead of "how to deliver a service that will add the most value for the client". It flags this as "a serious problem, as it minimizes or even eliminates the 'value-added' services that an owner should be seeking in all professional consulting assignments". The document concludes that QBS "raises the quality of consulting services", helping to "identify long-term, cost-effective solutions". Ultimately, this allows government to "reap the benefits of well-defined projects that take advantage of innovations and technical advice that will minimize lifecycle costs."

The concept of QBS is not revolutionary. QBS has been enshrined as the mandatory method of procuring architectural and engineering services in the United States since the enactment of the *Brooks Act* in 1973. 46 states have QBS laws with agencies in 3 others all adhering to a QBS procurement process. Hundreds of American municipalities have also adopted QBS.

QBS is also not foreign to the provincial government. Indeed, the provincial agency, Metrolinx, has previously used QBS for some of its procurement. As the government undertakes a modernization of procurement, QBS should be front and centre in these efforts. At a minimum, the government should commit to commencing a well-structured data-collection pilot project across a number of RFPs similar to the current process undertaken by the federal government.

The OAA argues the Government of Ontario must commit to fix the province's broken Site Plan Approval (SPA) process. This will save Ontario in excess of \$1 billion annually and will help to address the province's housing affordability crisis.

While the OAA commends initial efforts by the government to reform SPA through Schedule 10 of the *Restoring Ontario's Competitiveness Act, 2019*, these targeted revisions became collateral damage when the Schedule was removed from the legislation. Since then, no further measures have been brought forward though reforms remain critically needed.

The OAA has been pushing for changes to the SPA for almost a decade, commissioning two reports to quantify the economic impact of the delays that result from this broken process. Both received widespread endorsement and these recommendations have been picked up by other organizations throughout the industry. However, the SPA process remains unchanged.

The 2013 report, [A Review of the Site Plan Approval Process in Ontario](#), found that on a 100-unit condominium development, each month spent in SPA costs a homebuyer \$2,375 per unit. For all stakeholders involved in a single project – including government from lost tax revenue – the total cost per month spent in SPA can be almost \$500,000.

The 2018 report, [Site Plan Delay Analysis](#), quantified the cumulative cost of site plan delays for the province. This report found a staggering projected cost of \$100 million per month (over \$1 billion annually), ultimately borne by homeowners, businesses, industry and the government itself.

This is not without consequence, in terms of affordability and competition. The World Bank's [Doing Business 2020](#) report, ranks Canada 64th on 'ease of dealing with construction permits'. As this ranking is based on data collected in Ontario, it can be considered synonymous for the province. This places us far behind most G7 and G12 nations including the United States (ranked 24th). Ontario is slower, takes more steps, yet achieves no better building quality.

Through SPA reform, this government can cut red tape by reducing inefficiencies in housing development, contributing to the creation of a sustainable housing market, and recovering a \$1 billion in lost revenue for the province.

In order to improve the SPA process, the government should:

Restore Section 41 exclusions of the Planning Act so that planners can focus on technical issues related to the public realm.

- *Set and enforce a new timeline* that requires municipalities to issue an approval or refusal of an application before the 30th day of its review. Currently, municipalities are compelled to issue a decision on site plan application within 30 days under Section 41(12) of the *Planning Act*; however, this deadline is widely disregarded.
- *Implement independent adjudication of resubmitted applications* in cases where a municipality has advised, in writing, that the applicant has failed to resolve the deficiencies identified in the first submission.
- *Increase accountability to the public* by giving municipalities the statutory authority, through the *Planning Act*, to require architectural recognition as a condition of SPA.

