Agenda – Council – May 26, 2022

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – May 9, 2022

Item No. 2 Proposed Demolition Contractor Licensing Program

STANDING COMMITTEE RECOMMENDATION:

On May 18, 2022, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development, Heritage and Downtown Development and submitted the following to Council:

1. That the Public Service phase in the implementation of a new two-tiered demolition contractor licensing program, aligning with Part 3 of the Manitoba Building Code for large (mostly commercial) buildings, and Part 9 for smaller (residential) buildings as follows:

    A. Effective January 1, 2023, permit applicants for demolition or partial demolition of commercial or residential buildings have a licence in good standing with the City of Winnipeg;

    B. Effective January 1, 2023, a licence will be granted to a demolition company that is COR or SECOR Certified, or is registered for COR certification, provides verification of liability insurance, as determined by the Public Service, and applies for a demolition contractor licence;

    C. Effective January 1, 2024, a licence will be granted to a demolition company that is COR or SECOR Certified, provides verification of liability insurance, as determined by the Public Service, and pays related licensing fees.

2. That Legal Services be directed to amend the Winnipeg Building By-law to require that only licensed demolition contractors can apply for a permit to demolish any commercial or residential building or portion thereof (excluding residential accessory structures), effective January 1, 2023.

3. That annual demolition contractor business licensing fees be approved as follows:

    A. For 2023, $0, to support industry uptake;

    B. For 2024, to be referred to the budget process to establish annual licensing fees.

4. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – May 9, 2022

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On May 18, 2022, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development, Heritage and Downtown Development and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On May 9, 2022, the Standing Policy Committee on Property and Development, Heritage and Downtown Development concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: Proposed Demolition Contractor Licensing Program

Critical Path: Standing Policy Committee on Property and Development, Heritage and Downtown Development – Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
A. Crocker	J. Kiernan	C. Klopefer	M. Jack

EXECUTIVE SUMMARY

The Public Service consulted with industry and stakeholders on the development of a demolition contractor licensing program for companies conducting residential and commercial demolitions. Engagement focused on the common goal of any regulatory oversight being to impose minimal but critical qualifications for businesses that engage in demolition activities to effectively minimize the number of demolitions by unqualified individuals and companies, encourage industry best practices, and reduce damage to public infrastructure, trees, and neighbouring properties. The intent being that, once in place, demolition permits would only be issued to licensed contractors.

The City currently licenses electrical, plumbing, and mechanical contractors. These licensing programs establish qualifications and standards required to obtain certain permits, and are an effective mechanism for communicating information, expectations, and industry updates to license holders. Licensed contractors are expected to be knowledgeable and in compliance with applicable building codes and by-laws, and familiar with the City's permit, inspection, and penalty systems. Licensees who fail to obtain appropriate permits or repeatedly fail to meet requirements may be subject to fines or penalties, and may have their license suspended or revoked.

A demolition contractor licensing program would serve to effectively increase adoption of and adherence to industry best practices and safe work procedures, and reduce damage to infrastructure and neighbouring properties while providing pathways for important and timely communications between the City and industry. In the spirit of collaboration, and support for businesses in Winnipeg, the Public Service is putting forward licensing recommendations that are not complicated and not expected to be costly, regardless of the size of the business, but that are anticipated to have a significant and positive impact on industry, employees and communities. Engagement with industry confirmed support for the City to have mechanisms in place to ensure safe and responsible demolition of buildings in Winnipeg, through the demolition permit system.

RECOMMENDATIONS

1. That the Public Service phase in the implementation of a new two-tiered demolition contractor licensing program, aligning with Part 3 of the Manitoba Building Code for large (mostly commercial) buildings, and Part 9 for smaller (residential) buildings as follows:

    A. Effective January 1, 2023, permit applicants for demolition or partial demolition of commercial or residential buildings have a licence in good standing with the City of Winnipeg;
    B. Effective January 1, 2023, a licence will be granted to a demolition company that is COR or SECOR Certified, or is registered for COR certification, provides verification of liability insurance, as determined by the Public Service, and applies for a demolition contractor licence;
    C. Effective January 1, 2024, a licence will be granted to a demolition company that is COR or SECOR Certified, provides verification of liability insurance, as determined by the Public Service, and pays related licensing fees.

2. That Legal Services be directed to amend the Winnipeg Building By-law to require that only licensed demolition contractors can apply for a permit to demolish any commercial or residential building or portion thereof (excluding residential accessory structures), effective January 1, 2023.

3. That annual demolition contractor business licensing fees be approved as follows:

    A. For 2023, $0, to support industry uptake;
    B. For 2024, to be referred to the budget process to establish annual licensing fees.

4. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

Council approval is required to develop and implement a new contractor licensing program and amend by-laws.

IMPLICATIONS OF THE RECOMMENDATIONS

A demolition contractor licensing program will be phased in beginning January 1, 2023, to insert demolition site standards and safety controls into the demolition permit process. The recommendation of COR (or SECOR) Certification as a starting point, means that many existing demolition companies will qualify for licensing immediately, and those without COR or SECOR Certification will have to be Registered in COR and be working toward certification in order to obtain a demolition permit after January 1, 2023.

COR Certification involves development of safety plans for all business activities (for a demolition company, this would include compliance with Workplace Health and Safety legislation including protocols for asbestos removal and disposal, and job-specific hazard

analysis and control systems), mandatory training for all staff, and be subject to site audits by COR auditors. Failure to adhere to COR standards could result in decertification.

SECOR Certification is geared toward small enterprises and is flexible in its training and audit requirements, to encourage small and start-up companies to engage with COR administrators and begin to work toward COR Certification. Registration in COR is valid for 18 months, during which time companies are expected to complete the certification program. The phased approach of a contractor licensing system facilitates certification activities through 2023.

While COR Certification does not specifically prevent damage to neighbouring properties, the requirement of structured and accountable systems, site assessments and supervision, by nature, should address some of the issues that arise as a result of unqualified or inexperienced demolition contractors. This combined with appropriate liability insurance coverage, should translate to business activities that are focused on accountable practices and reducing the risk of damages and liability.

HISTORY/DISCUSSION

On April 29, 2021, as part of the Residential Infill – Construction Site Practices report, Council approved that “the Public Service be directed to engage with industry and stakeholders to consider a licensing program for contractors that provide services related to the demolition of residential or commercial buildings in Winnipeg”.

In November 2021, a survey was conducted, followed by a stakeholder meeting held on December 7, 2021, with representatives from the demolition industry and stakeholders to discuss industry best practices, and how the City could help to encourage compliance with industry standards through a licensing program. Communication was clear that if a licensing program was approved to be implemented, that once in place, demolition permits would only be issued to licensed contractors. A follow-up meeting with the same group was conducted on March 17, 2022, to present subsequent recommendations from the Public Service.

What we heard

Engagement with the industry was positive and collaborative in nature. Approximately 15 participants (of approximately 50 invited) representing small and large contractors and homebuilders who frequently engage the services of a demolition contractor, brought their experience and expertise to the table. A full stakeholder list is included as Appendix A of the attached Public Engagement Summary. They offered recommendations for minimum qualifications and standards of practice, requested that the City leverage existing training and certification programs (such as COR), and discussed effective practices when it came to communicating expectations and available resources to neighbours.

There was considerable support amongst industry representatives to impose legislated standards and expectations on those engaging in demolition activities. There were concerns that demolition activities carried out by unqualified and inexperienced contractors was undercutting established and experienced businesses by avoiding certain legal obligations (asbestos testing and remediation was given as one example) leading to potential site safety issues, increased likelihood of issues/accidents/damages, and poor relationships with neighbouring property owners.

In the spirit of collaboration, and support for businesses in Winnipeg, the Public Service is recommending a licensing program that is not complicated and not expected to be costly, regardless of the size of the business, but that is anticipated to have a positive impact on industry, employees and communities. The City's Office of Public Engagement prepared a summary of engagement activities and discussions, appended as Attachment A.

Current licensing programs

The City currently licenses electrical, plumbing, and mechanical contractors. These licensing programs establish qualifications and standards required to obtain certain permits. They are an effective mechanism for communicating information, expectations, and industry updates to license holders. Licensed contractors are expected to be knowledgeable and in compliance with applicable building codes and by-laws, and familiar with the City's permit, inspection, and penalty systems. Licensees who fail to obtain appropriate permits or repeatedly fail to meet requirements may be subject to fines or penalties and may have their license suspended or revoked.

A demolition contractor licensing program could serve to effectively improve site conditions, minimize the number of demolitions by unqualified individuals and companies, and reduce damage to public infrastructure, trees, and neighbouring properties.

FINANCIAL IMPACT

Financial Impact Statement

Date: April 20, 2022

Project Name:

Proposed Demolition Contractor Licensing Program

COMMENTS:

There are no fees to be charged under the proposed demolition contractor licensing program until 2024 as outlined in the body of the report. The establishment of a fee structure is to be referred to the 2024 budget process, the aggregate amount of fees and related costs are anticipated to be immaterial and, as such, there is no financial impact associated with the recommendations contained in this report.

Mike McGinn April 20, 2022

Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:

n/a

OURWINNIPEG POLICY ALIGNMENT

OurWinnipeg 01-2 Safety and Security
Direction 3: Promote safety in buildings.
Enabling Strategies: Ensure that construction projects meet the intent of standards set in national and local building codes, while recognizing advances in construction and development-related technologies.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

n/a

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

n/a

SUBMITTED BY

Department: Planning, Property and Development
Division: Development and Inspections
Prepared by: Marcia Fifer, Administrator - Housing and Existing Buildings
Date: April 20, 2022
File No: n/a

Attachments:

Attachment A: Public Engagement Summary: PPD Demo Contractor Engagement