2025/6 Canada Project Leaders Survey

State of the Market

GLOBAL PUBLIC AFFAIRS
FROM INSIGHT TO IMPACT

FUTURE OF INFRASTRUCTURE GROUP

Thank you to Royal Institution of Chartered Surveyors and the British Columbia Construction Roundtable for partnering with FIG on this survey and report. Global Public Affairs acts as the secretariat for the Future of Infrastructure Group.

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Contents

The **Future of Infrastructure Group** brings together industry leaders in the sector to provide a positive, and coherent voice to help governments across Canada deliver the best value from infrastructure investment. This group discusses and shares their expertise on best approaches to prioritizing, planning, procuring, constructing, maintaining, and operating infrastructure.

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Summary

The overall outlook for project performance was positive with more than half of respondents pointing to exceptional or good overall performance, and over 70% also saying things had improved over the last three years.

Issues: Three areas were highlighted as being common themes driving cost increases and delays.

Time	People	External
Permitting delays and internal decision-making were both highlighted as being in the top three issues causing cost increases and project delays.	Leadership and collaboration were raised often, but overall people felt their jurisdiction was moving in a positive direction in creating better project environments.	After a period of volatility external factors such as cost increases and availability of labour and skills also factor high on people's lists of concerns.

Solutions: A number of best practices were highlighted. Overall major projects succeed when clarity, capability, collaboration, and trust are embedded early, and when owners select the right partners, allocate risk fairly, empower leaders, and create conditions for fast, informed decision-making.

- **Early project set up:** the early stage sets up projects for success or otherwise. Rigorous due diligence and proactive treatment of project risks, early involvement of contractors, advancing design maturity, and rewarding the right success factors in procurement were all highlighted as being critical. Problems early on resonate through the project.
- **Collaborative environment:** based around a "best for project" mindset. Everything from project documentation, to training, to how disputes are handled, should emphasize the need to maintain a collaborative environment on the project.
- **Quick decision-making:** projects highlighted individual empowered roles with accountability, or small empowered leadership groups set up to make smart decisions quickly. Approaches should evolve to strip out unnecessary requirements, and project leaders need to be well prepared and set the example across project teams.

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Project Leaders Survey

The aim of the survey is to provide an anonymous opportunity to share input on the current state of the market, what is working, and what is not. It provides a snapshot for some of the main issues being experienced on projects across the country, as well as drawing on experience to determine key project success factors and innovations.

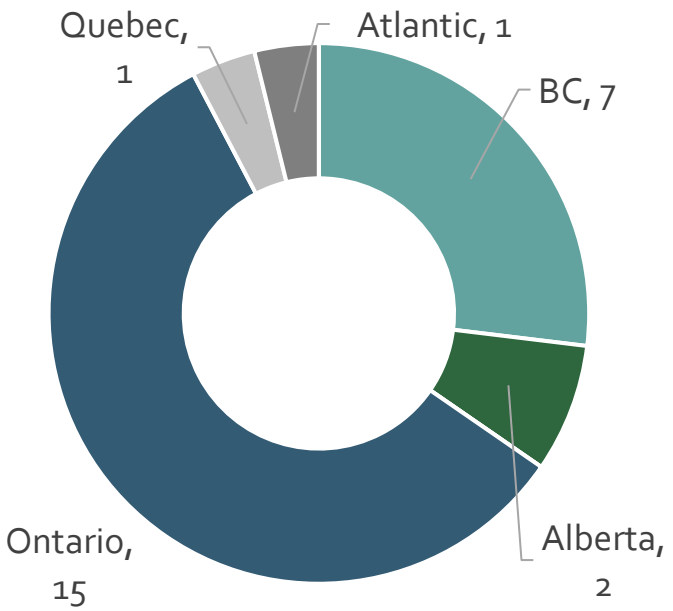
The survey was circulated to a number of professionals in project leadership roles in both the public and private sector across Canada. 26 project leaders from across Canada shared top line thoughts and in-depth input based on their experiences.

This is the first annual report and aims to take the pulse of projects in Canada and to identify trends and potential recommendations that raise standards across the board on projects. Our aim is to expand the sample size and to include a wider variety of jurisdictions and project types for future years. This report will provide the basis for local discussions on the topics raised, as well as providing a first edition to improve upon for future years and we welcome any feedback.

We would like to thank all those who took the time to complete the survey and share their insights and experiences. If you would like to contribute to the next survey, please reach out.

26 responses

- 15 Transit
- 1 Road, bridge
- 5 Health
- 2 Port, airport
- 3 Other



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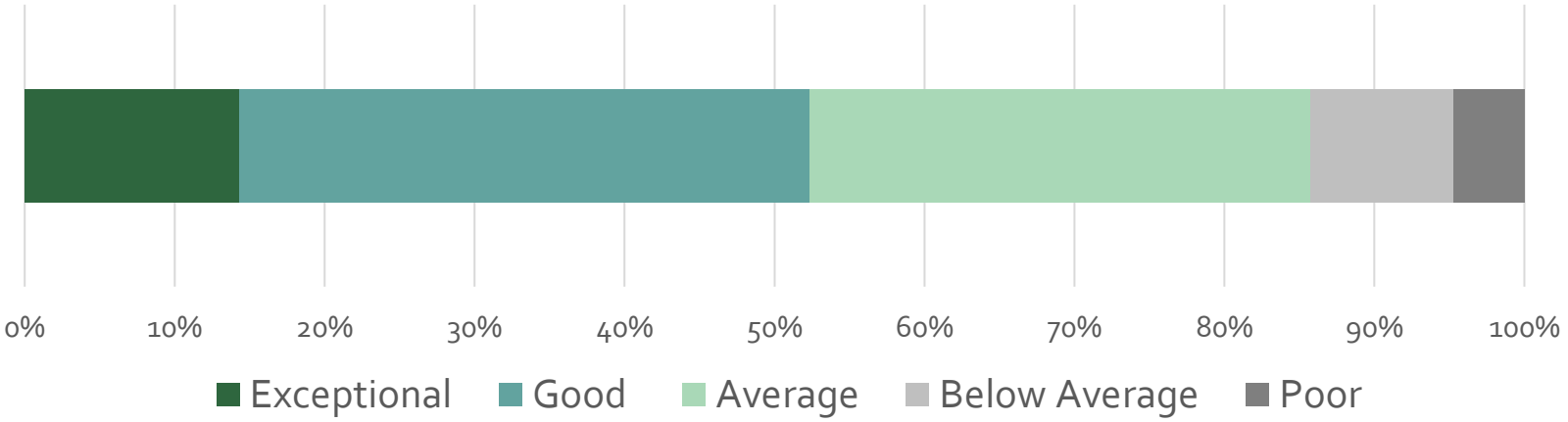
1

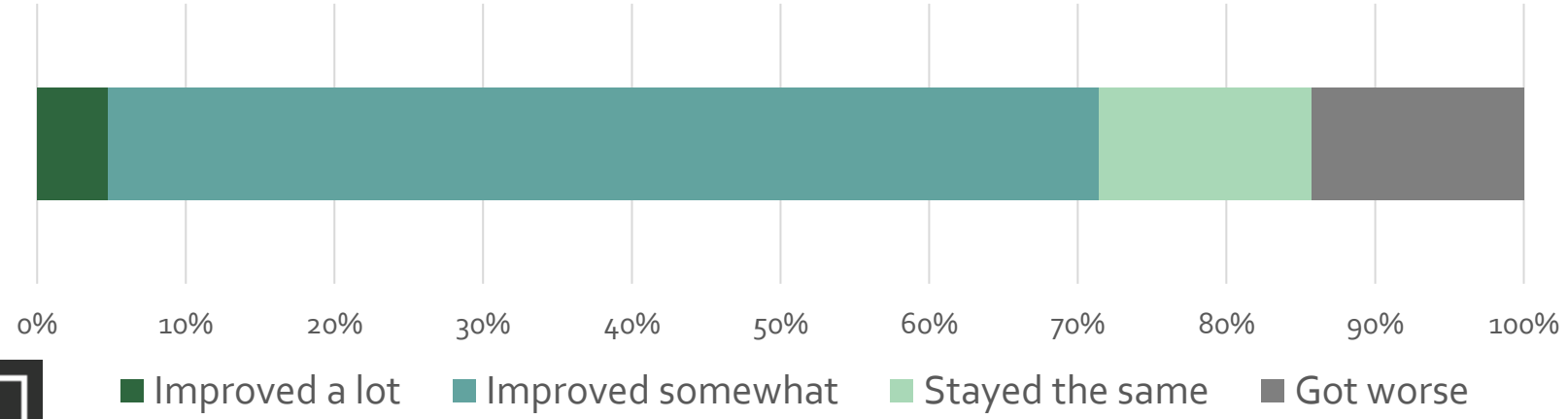
State of Jurisdiction

How do you Rate Your Jurisdiction:

Compared to other jurisdictions



Over the past 3 years



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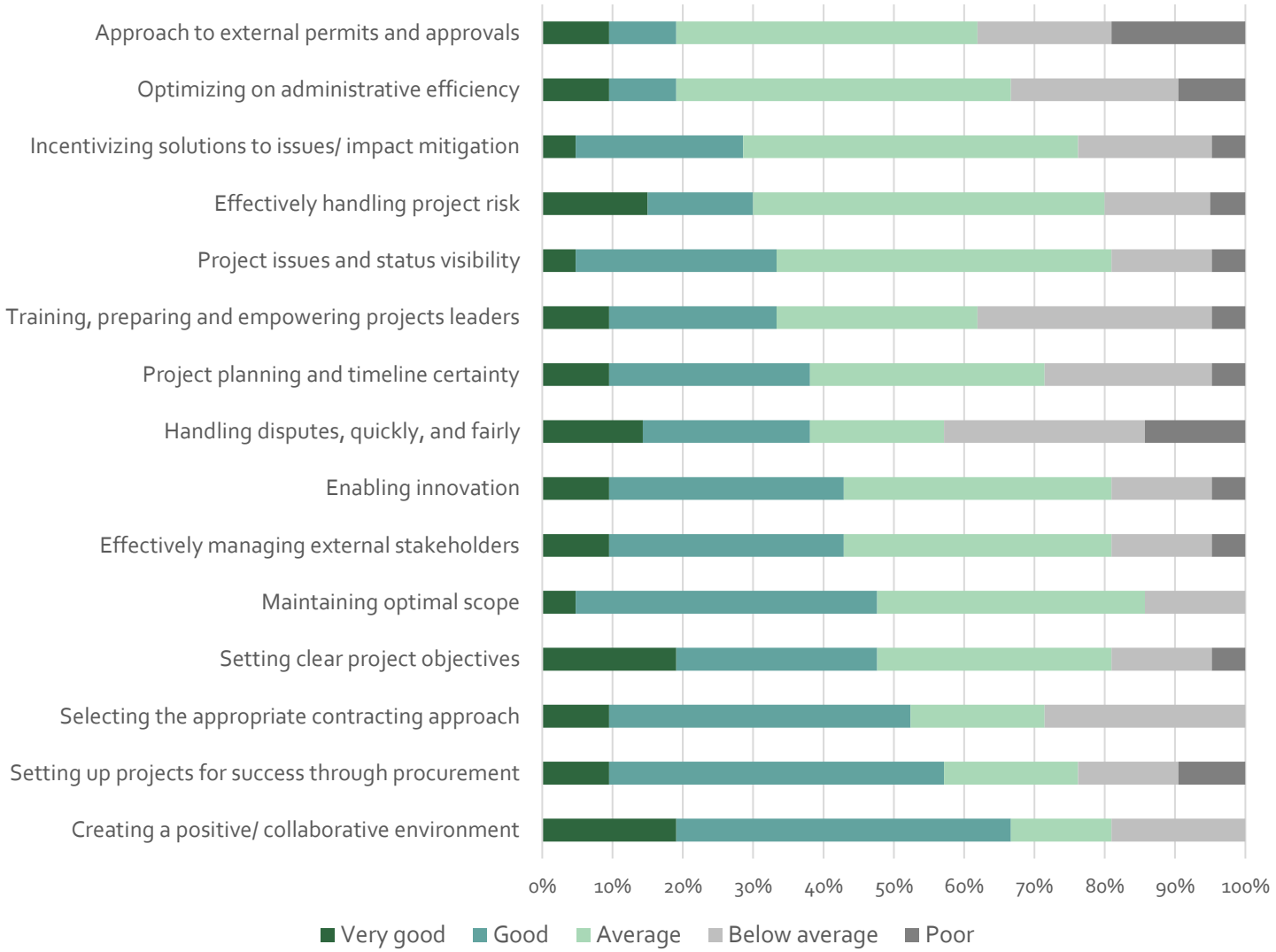
How do you Rate Your Jurisdiction:

Around these factors…



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How Do You Rate Your Jurisdiction?

Doing well (very good, good)	Could improve (poor, below average)
1. Creating a collaborative environment **67%** 2. Setting up projects for success through procurement **57%** 3. Selecting the appropriate contracting approach **52%** 4. Setting clear project objectives **48%** 5. Maintaining optimal scope **48%**	1. Handling disputes quickly and fairly **43%** 2. Approach to external permits and approvals **38%** 3. Training, preparing and empowering project leaders **38%** 4. Optimizing administrative efficiency **33%** 5. Project planning and timeline certainty **29%**
Creating a collaborative environment and clear project goals rate highly with 19%	Approach to permits and disputes were both rated as poor the most with 19% and 14% respectively

Overall respondents were quite positive around the performance of their jurisdiction with over half respondents rating performance as exceptional or good. There was also a view that things were moving in a positive direction with over 70% of respondents feeling things had improved in the last three years. There were a number of key themes that shaped responses:

- **Organizational strengths** – there are examples of organizations delivering exceptional projects due to deep experience, effective fast tracking, and well-structured processes. Complex internal processes that do not have experienced leaders and teams to deliver upon them can cause bigger issues. Strength and experience of individual leaders was highlighted as being an important factor on the performance of the jurisdiction.
- **Governance and political dynamics** – the misalignment between provincial and municipal and provincial governments was seen as a challenge, as well as the political pressures surrounding major projects.
- **Planning and approvals** – slow panning decisions and staff shortages in these roles were highlighted as creating bottlenecks that reverberate through projects. The volume and overlapping mandates for those responsible for approvals was pointed to as adding months of delays in some cases.
- **Volume of projects** – a major caveat even for the most mature organizations is that the volume of work is stretching resources thin both around project leadership, but also around the full range of critical skills.

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Direction of Travel

When it comes to direction of travel, there were a large number of positive developments highlighted that respondents felt had improved the landscape.

> *"Owners are recognizing that they need to be active and informed in delivery. This has been a change for the positive."*

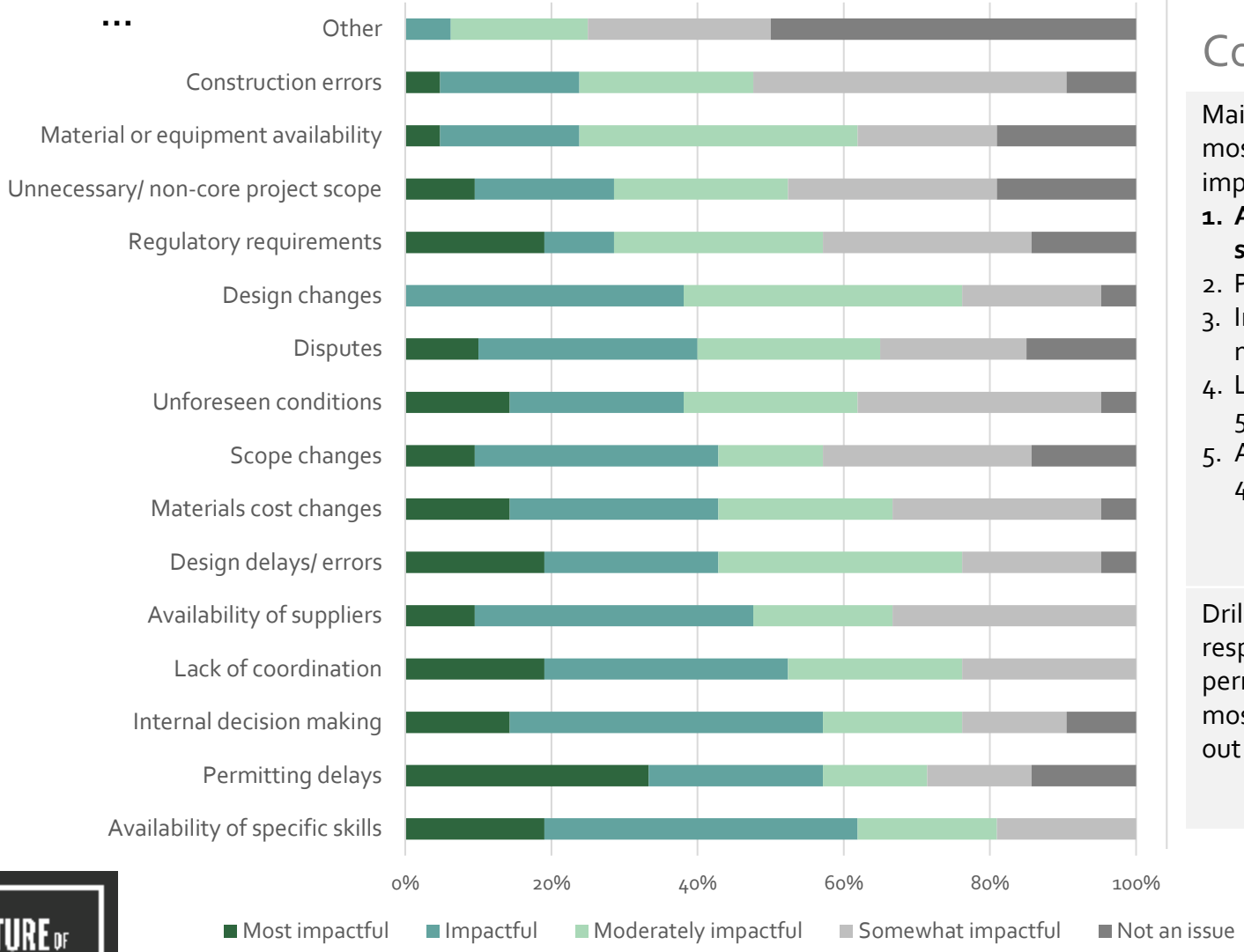
> *"More streamlined approach, clear scope and requirements, clear leadership, and aligned teams."*

- **Client maturity**: an increased recognition that owners should remain active, informed participants in project delivery, creating a greater sense of partnership, clarity, quicker decision making, mutual respect, and knowing when to get involved.
- **Better Dispute Resolution:** early resolution of claims and disputes was highlighted as a positive, enabling all parties to resolve issues and concentrate on delivering the project.
- **Collaborative Approaches:** a positive shift towards promoting partnership approach was raised, including the use of more collaborative and progressive models, better engagement with contractors, and a more balanced approach to managing project risk.
- **Efficiencies:** advancements in processes that enable project efficiency, and more focus on streamlined and repeatable processes, clarity of purpose and vision and leadership.
- **Short-Term Thinking:** this came across at three levels, one was around choosing lowest cost bidders, second was around short-term fiscal pressures driving poor decision making, and finally a disconnect between project delivery and the end use and operations and maintenance of the infrastructure.
- **Workforce Pressures:** the volume of work, especially large complex work has created a shortage of skilled workers at every level.
- **Red Tape and Delays:** misalignment between different levels of government and lack of resources or mandate to make decisions quickly.
- **Remote Work**: for major projects the sense was that, although there were some benefits, remote working had eroded informal knowledge transfer, reduces decision-tracking, and reducing team cohesion.

2

Costs, Delays, & Disputes

Drivers of additional project costs/budget overruns



Cost Drivers

Main drivers highlighted as most impactful or impactful.

1. **Availability of specific skills 62%**
2. Permitting delays 57%
3. Internal decision making 57%
4. Lack of coordination 52%
5. Availability of suppliers 48%

Drilling down a third of respondents cited permitting delays as being most impactful, standing out from the crowd.

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Drivers of Project Delays

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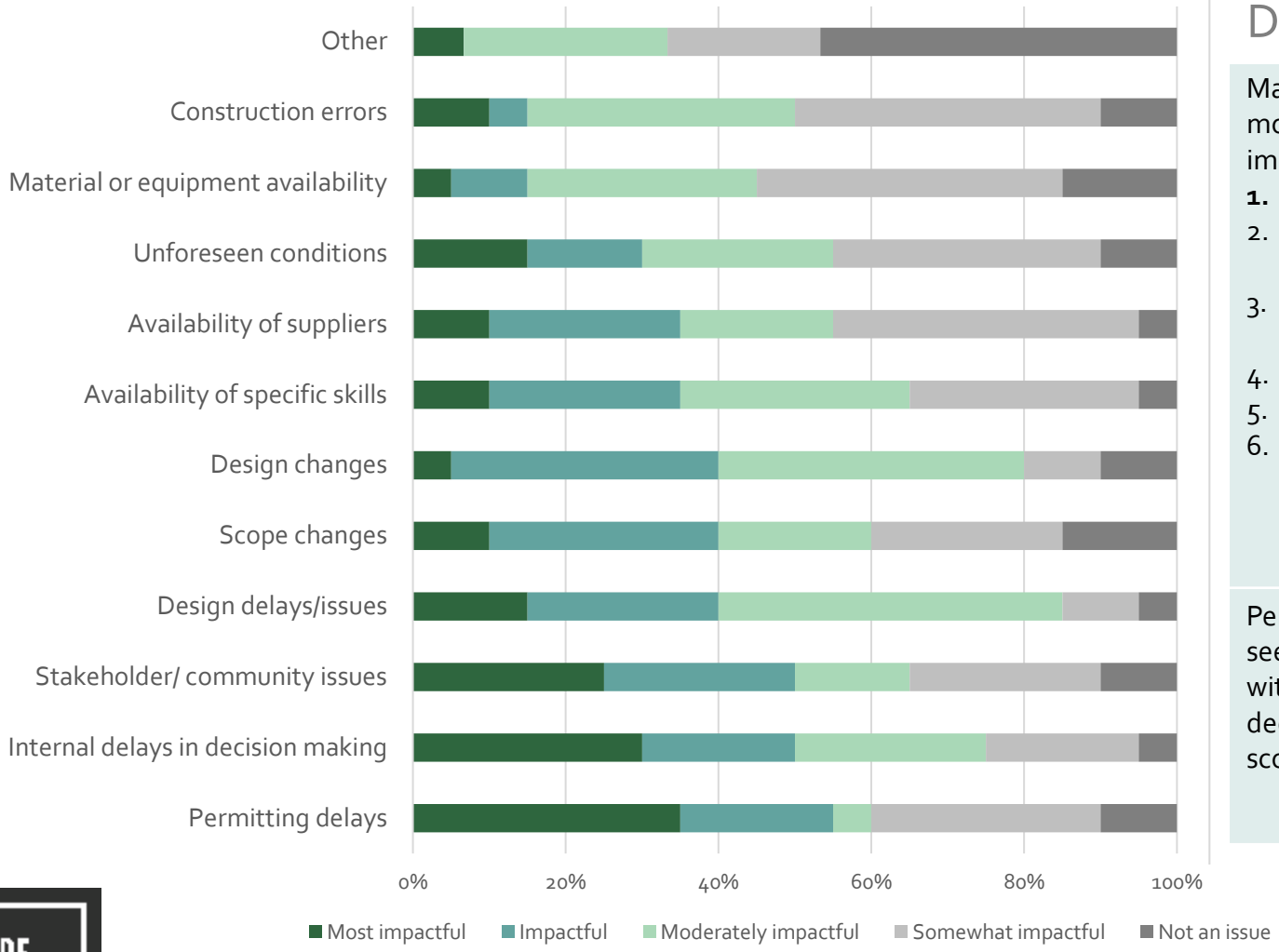

Delay Drivers

Main drivers highlighted as most impactful or impactful.

1. **Permitting delays 55%**
2. Internal delays in decision making 50%
3. Stakeholder/ community issues 50%
4. Scope changes 40%
5. Design changes 40%
6. Design delays/issues 40%

Permitting delays again seen as most impactful with 35%, but internal decision making also scores highly with 30%

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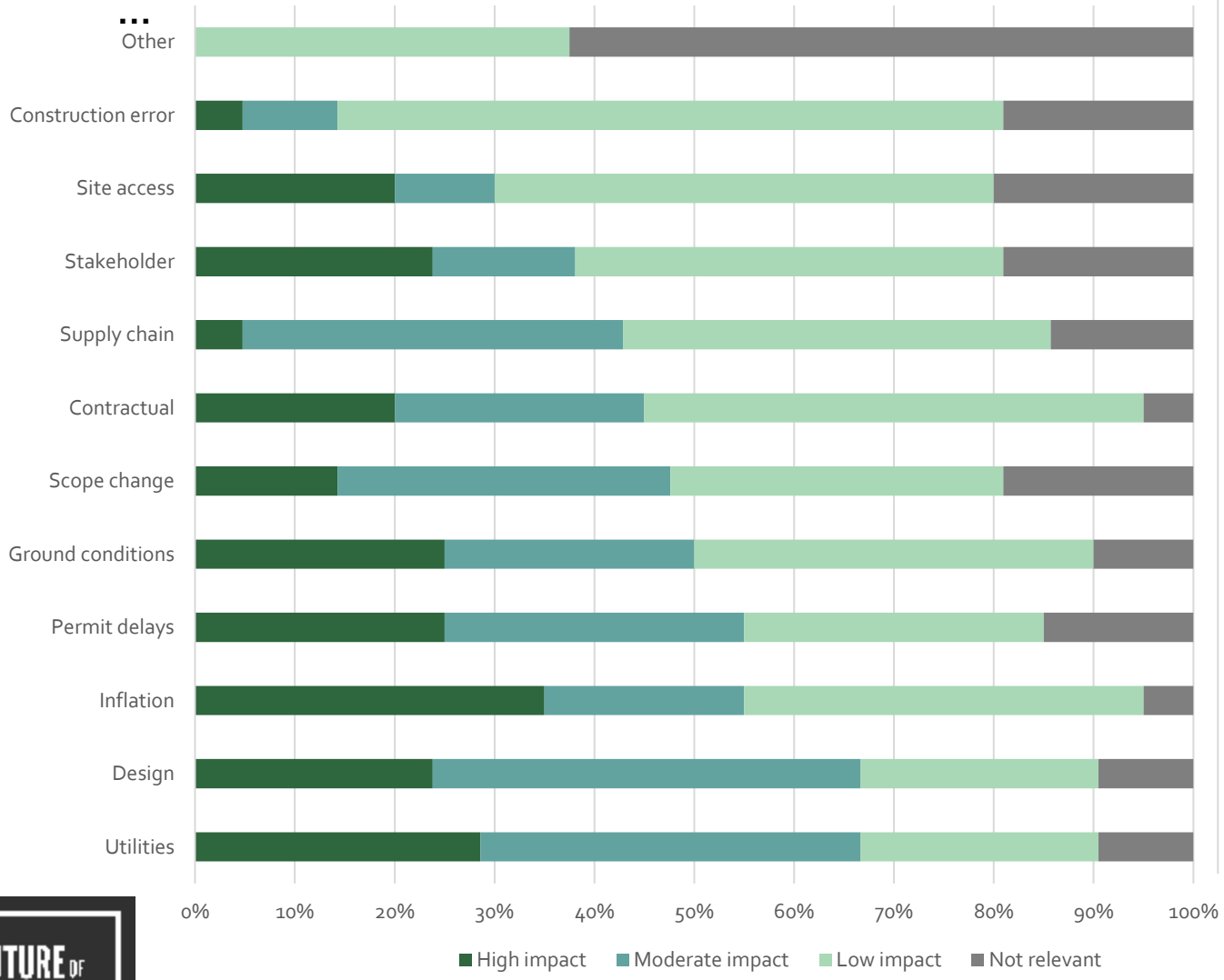
Drivers of Disputes



Dispute Drivers

Main drivers highlighted as most impactful or impactful.

1. **Utilities 67%**
2. **Design 67%**
3. Permit delays 55%
4. Inflation 50%
5. Supply chain 50%
6. Ground conditions 50%

Inflation draws the strongest response here with 35% saying it is high impact, closely followed by utilities. The common theme is often the external nature of these issues.

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What is Causing Issues?

Costs	Delays	Disputes
1. Availability of specific skills 62% 2. Permitting delays 57% 3. Internal decision making 57% 4. Lack of coordination 52% 5. Availability of suppliers 48%	1. Permitting delays 55% 2. Internal delays in decision making 50% 3. Stakeholder/ community issues 50% 4. Scope changes 40% 5. Design changes 40% 6. Design delays/issues 40%	1. Utilities 67% 2. Design 67% 3. Permit delays 55% 4. Inflation 50% 5. Supply chain 50% 6. Ground conditions 50%
A third of respondents cited permitting delays as the most impactful, standing out from the crowd	Permitting delays again seen as most impactful with 35%, but internal decision making also high with 30%	Inflation draws the strongest response here with 35% saying it is highest impact

Overall, there were some common themes driving cost increases and delays. A big area is around time impacts such as delayed approval processes, utility work, or delays in making decisions. This is made worse if these delays add unpredictability, a one-month delay can be planned around, a delay that can be two weeks to six months makes planning very difficult and has knock-on effects through a schedule.

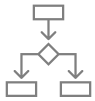
People and process are also big factors that can cause or exacerbate issues. Processes developed with the best intentions can be misinterpreted or rigidly adhered to. Change in scope or design at any stage causes extra work which depending on project stage can be extremely costly, especially in construction.

External factors is a key area of friction that can lead to additional costs, delays, or disputes. It has been a particularly challenging time with the pandemic, subsequent cost escalation and supply chain issues, and tariff issues. All these issues can lead to additional costs or delays, neither party can often do much about them, so it can become a legal issue to resolve.

Sources of Friction

- **Planning, Permitting and Approvals:** insufficient early planning, permitting and design all cause major issues that echo through the project resulting in delays and cost increases. Unpredictability is a big challenge when it comes to getting required approvals, undertaking consultations, and securing permits which makes planning very difficult. Delays in land handover and on utilities are big and common factors that cause issues.

- **Contractual Misalignment and Governance:** agreements can be overly prescriptive and not serve the desired outcome of the project well, There can also be challenges with interpretation of contractual terms and agreements.



- **Leadership and Decision-Making:** there is perceived to be a lack of adequate training and preparation for project leaders, leading to inconsistencies across projects. Delayed decision-making is raised often with either "upward deferral" or "decision by committee" causing unnecessary delays. Internal alignment is also seen as a challenge that can lead to delays, rework or redesign.

- **Performance Issues:** this is seen through design delays and errors and issues with performance of subcontractors on the private sector side, and on the public sector this is seen through delayed decision-making (as referenced above), but also overly rigid adherence to project requirements and overreach of responsibilities.

- **External Market Conditions:** the climate has been challenging with cost escalation, tariffs, supply chain issues and delays of key materials and equipment, and severe labour and skills shortages. There is also uncertainty around who should be responsible for these costs, and how to account for wider impacts.

- **Changes in Direction:** frequent scope changes that may come from community and political involvement, unforeseen conditions, or conflicting interpretations of agreements can change the projects direction mid-flight and can often reoccur forcing redesign or rework.

- **Process Limitations:** project agreements are seen as being inconsistent, and rigid tools to transfer risk, rather than as a basis for coordination and collaboration. Processes have evolved to develop unnecessary steps and report on the wrong things and are seen as being overly bureaucratic. A lack of early warning systems also means issues can fester.

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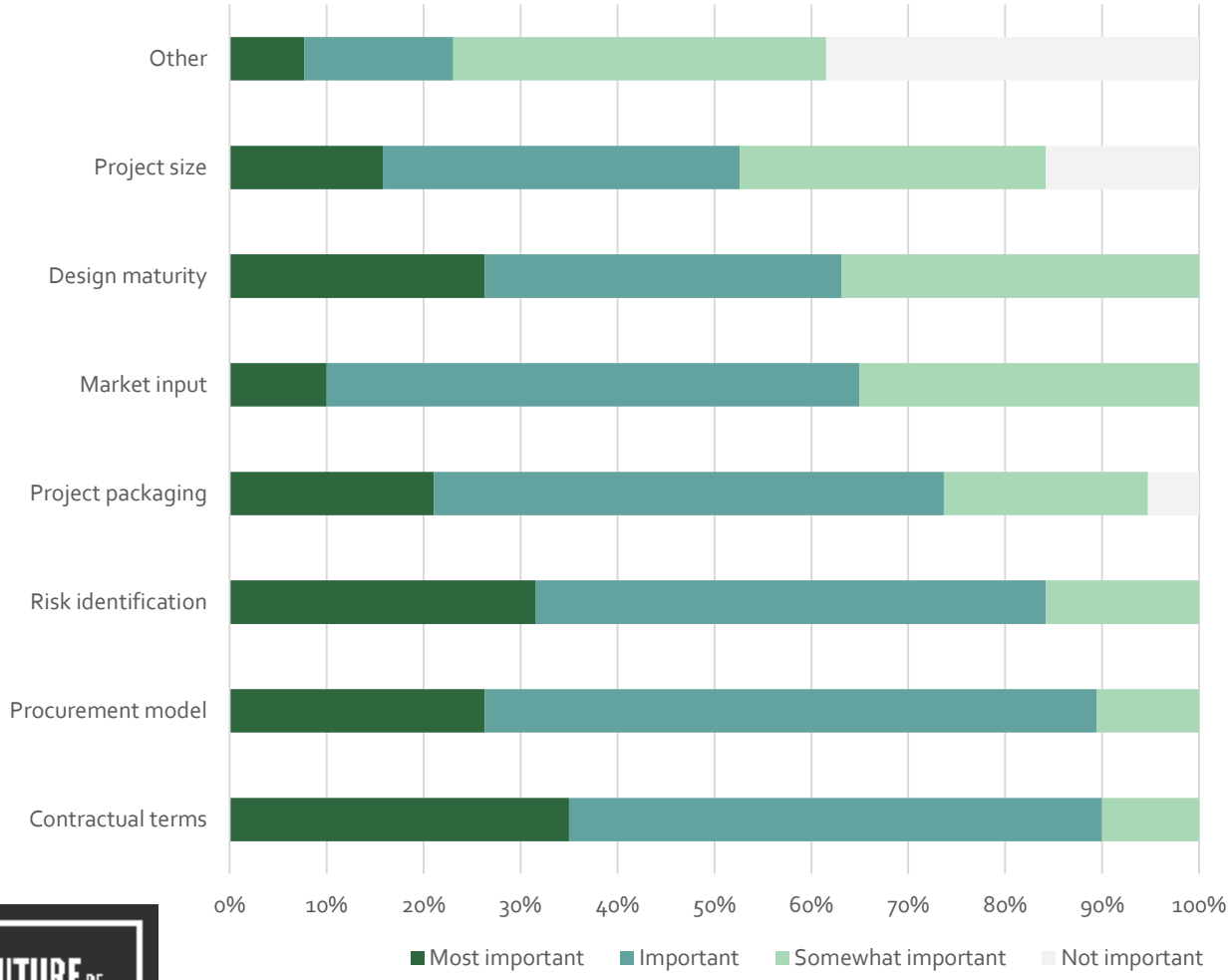
3
Driving
Project
Success

Biggest Impact on Project Success

In the Procurement Phase



Procurement

Based on responses that highlighted an impact as being most important or important.

1. Contractual terms 90%
2. Procurement model 89%
3. Risk identification 84%
4. Project packaging 74%
5. Market input 65%

Contractual terms stick out as being the area deemed most important most often with 35%, followed by risk with 30%. All categories scored quite highly overall though.

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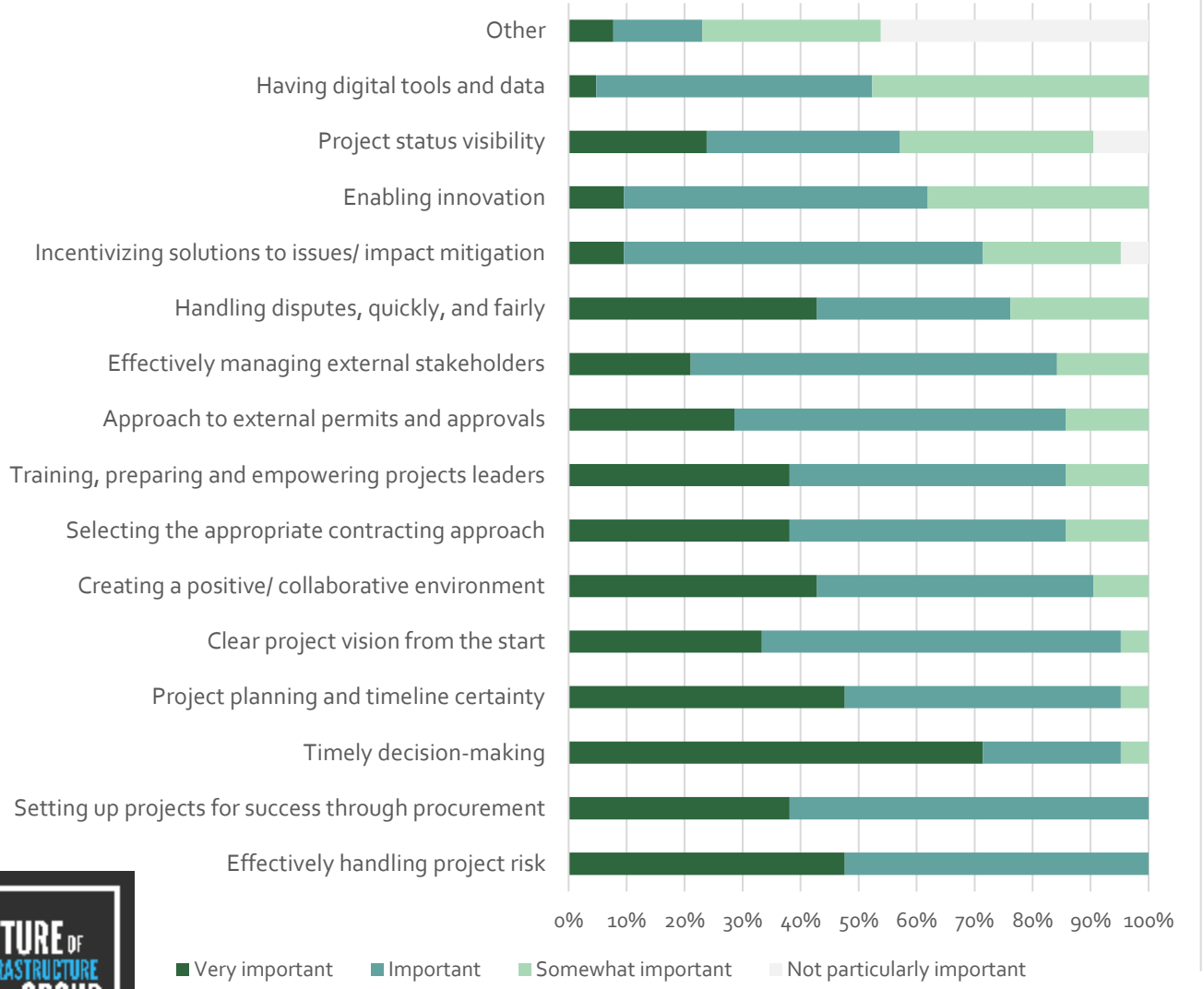
How do you Rate These Factors for Project Success

Overall



Overall

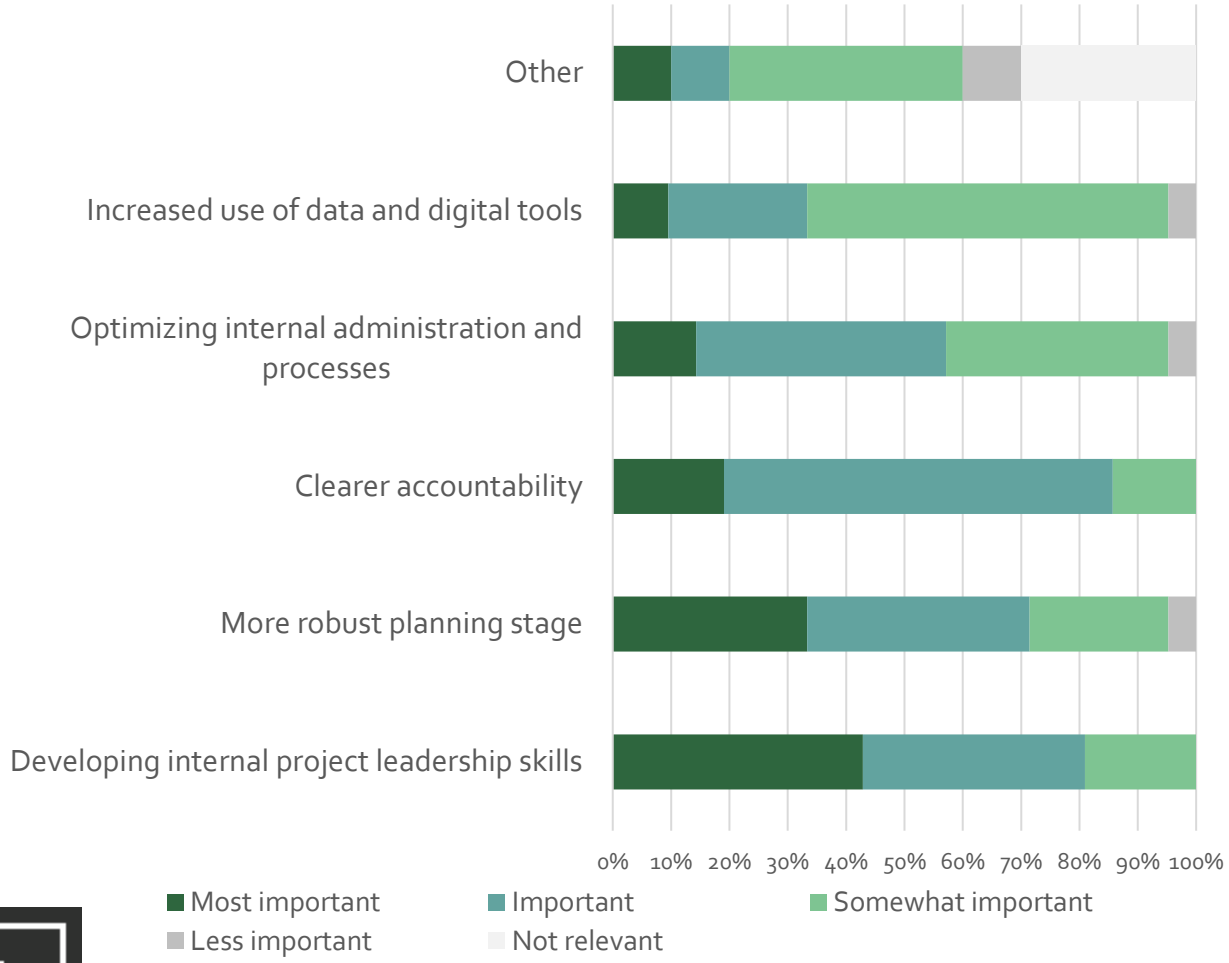
Based on responses that highlighted an impact as being very important or important.

1. Effectively handling project risk 100%
2. Timely decision-making 95%
3. Clear project vision from start 95%
4. Project planning and timeline certainty 95%
5. Creating a positive/ collaborative environment 90%

Contractual terms stick out as being the area deemed most important most often with 35%, followed by risk with 30%. All categories scored quite highly overall though.

To Improve the Landscape for Project Delivery

Where do you think needs most attention



Focus

Based on responses that highlighted an impact as being most important or important.

1. Developing a collaborative environment 100%
2. Ensuring procurement process align with project characteristics 95%
3. Clearer accountability 86%
4. Developing internal project leader skills 81%
5. More robust planning stage 71%

Aligned procurement process, project leadership, collaborative environment tied as most important with 43%

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Biggest Impact on Project Success

Procurement	Key to Success	Focus for Improving
1. Contractual terms 90% 2. Procurement model 89% 3. Risk identification 84% 4. Project packaging 74% 5. Market input 65%	1. Effectively handling project risk 100% 2. Timely decision-making 95% 3. Clear project vision from start 95% 4. Project planning and timeline certainty 95% 5. Creating a positive/ collaborative environment 90%	1. Developing a collaborative environment 100% 2. Ensuring procurement process align with project characteristics 95% 3. Clearer accountability 86% 4. Developing internal project leader skills 81% 5. More robust planning stage 71%
Contractual terms stick out as being the area deemed most important with 35%, followed by risk with 30%	Timely decision-making sticks out as being ranked as most important by a distance with 71%	Aligned procurement process, project leadership, collaborative environment tied as most important with 43%

Respondents highlighted some key areas they felt were most critical to successful delivery:

- **Rigorous Due Diligence**: extensive early investigations and proactive engagement with authorities to reduce unknown risks prior to procurement and provide a basis to tackle them proactively.
- **Strong Procurement:** emphasizing best value that prioritizes capability, culture, and leadership over lowest price and a tick box approach. Prior performance should also be factored in and consideration of portfolio level strategies.
- **Early Involvement:** bringing in construction teams early helps identify and mitigate project risks, ensure buildability of designs, and reduce unnecessary risk dollars being added to bids.
- **Owner-Contractor Partnerships:** enabling and incentivizing problem-solving and innovation, shared approaches to handling risk, and maintaining good working relationships.
- **Clear, Quality Documentation**: updating outdated contract templates to focus on successful project outcomes, removing ambiguity and creating incentives that enable shared problem solving over legal protection.

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Timeline of Elevated Risk

Risks are dynamic and evolve over the life of the project with certain milestones creating periods of elevated risk. A common theme was that projects fail early and decisions taken at the start will reverberate through the project. It is important to get the start right and focus on the transition points such as design to construction, and construction completion to operations.

- Gaps in planning can ripple across every project stage
- Adequate project development time is needed to set realistic scope and budget
- Project affordability issues can drive change and delay
- Tackling major risks early: utilities, site conditions, environmental issues, permits and approvals through advance work

- Lack of clash detection and constructability reviews can lead to conflicts, stop work situations and requests for information
- Incomplete design leads to work being done "at risk" causing construction errors, design should reach 80-90% before construction starts

- Client driven micro-changes creates scope creep
- Price certainty difficult with tariff climate, global shortages, fuel and raw material volatility, skilled labour shortages
- Siter logistics, particularly for constrained or operational sites
- Interface management between different project areas
- Delayed decision making compounds
- Disputes sour relationships and create wider issues

- Systems integration often very complex and an afterthought
- Testing and commissioning delayed or considered late
- End operator training and readiness

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Reducing Delays and Cost Increases

> *"Early engagement, trust, open communications, mentoring staff, and a willingness to be collaborative and supportive."*

> *"Informed and proactive owners prioritize problem-solving over commercial posturing, finding win-win solutions."*

Respondents highlighted several effective best practices and lessons learned that help reduce delays, manage risk, and improve collaboration:

- **Breaking up Projects:** packaging projects, especially larger ones, into parts that align with areas of expertise and tailoring delivery models based on the situation for each part. Early works was also raised a number of times as established best practice to reduce uncertainty.
- **Best for Project Mindset:** strong collaboration and shared problem-solving mindsets drive positive project outcomes. The culture needs to be guided by a "best for project" mindset.
- **Clear Treatment of Risk:** early identification of risk in the project lifecycle and establishing early warning mechanisms. One project highlighted an approach where a shared pool is established for large risks that may be unavoidable (eg unforeseen ground conditions), they jointly decide on the best mitigation strategy (see next page).
- **Collaborative Environment:** the use of alliance or integrated project delivery models was highlighted as a positive to provide another tool, but also leveraging incentives in traditional or public private partnerships was seen as a positive step to encourage collaboration.
- **Quick Decision Making:** setting up an environment to enable quick decision-making, one project had a special "no delay" unit embedded with the contractor site office and empowered to make quick decisions (see next page).
- **Focus on Permits:** mobilizing knowledgeable owner personnel to navigate complex permits and approvals helped contractors resolve issues quickly. Dedicated permitting agreements with municipalities can significantly accelerate approval processes.
- **Good Neighbour:** one respondent highlighted the importance of proactive communication with the community and ensuring all construction work consider impacts on the local community. This mindset helped to build trust through responding quickly to any inquiries and demonstrating the efforts made to minimize disruptions.

Innovations Across Projects

Across the survey there were a number of examples of project innovations that help void issues that can lead to delays of cost increases. Some are included below:

Innovation: Shared Risk Pools

All projects experience the realization of risks, many are unavoidable to some extent (eg unforeseen ground conditions) or are in neither parties' ability to control (eg external costs or tariffs). One project set up a shared contingency pool. The contractor can draw from the pool but whatever is left at the end is shared. As issues come up owner and contractor jointly decide on the best mitigation strategy and pay for it from this shared pool. This eliminates lengthy, value-destroying debates over liability and accelerates decision-making. They have found the focus has immediately shifted from "Whose fault is it?" to "How do we fix this fast?"

Innovation: Decisions Office (No Delay Unit)

One project highlighted a unique set up designed to mitigate the traditional drivers of cost and delay – slow decision-making. This was the establishment of an empowered owner's Project Management Office that was embedded within the contractor's site office. It a small, highly effective group of three key people primed and given the authority to make decisions quickly:

1. Owner's Authorized Representative: fully empowered to make binding, non-scope altering technical and commercial decisions up to a high dollar limit.
2. Senior Technical Subject Matter Expert: the most experienced design engineer or systems architect.
3. Senior Commercial/Contracts Analyst: has instant access to contract terms and pricing schedules.

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Innovation: Project Health Questionnaires

To gain insights on the true state of the project, one project uses project health questionnaires which are distributed across the project team. These mostly focus on how things are going in general on the project and provide a safe avenue to share concerns or ideas. The feedback is then used to implement any changes for the benefit of the project. A problem highlighted by one project leader was that nobody wants to be the person to admit they are behind and once one issue arises many can then come out of the woodwork. Teams should be rewarded for early, honest escalation of bad news to enable issues to be solved collaboratively and immediately.

Innovation: Behavioural Focus

To maintain a collaborative environment on their project, one respondent pointed to a range of initiatives to prepare people and set expectations on behavioural aspects of successful project delivery. The project includes training, orientations, and certifications to establish common approaches. They have also invested in professional behavioural coaching, psychologists, and organizational change resources to establish and maintain a truly collaborative culture.

Innovation: Single Point of Accountability

Building on the theme of quick decision-making one project established a "single point of accountability" for every critical element to prevent decision gaps and delays. This strict delegation of responsibility ensures when any issues arise the resolution path is immediately clear, eliminating bureaucratic friction and driving proactive action. This involves:

- Designating an executive sponsor as the single point of accountability for strategic benefit realization;
- A project director/manager for on-time/on-budget execution;
- A high-level contingency owner who is responsible for approving risk-related fund releases;
- Every major work package or deliverable must have a specific single point of accountability to ensure quality and completion.

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Innovation: Project Acceleration

Not all parts of a project are equal when it comes to disruption and prolonged closures can erode local sentiment and morale on a project. One transit project saw contractors, owners, and political leadership work together to plan and enable an accelerated work plan for rapid completion of work at key intersections along the route.

The contractor presented a rolling series of accelerated work packages where intersections could be fully closed for a much shorter period of time with specialist teams getting in, undertaking the work quickly, and fully reopening the intersection. This approach was found to have wide support in the community with over 80% overall and local businesses strongly preferring shorter timeframes with full closures as opposed to partial closures which were still disruptive.

Innovation: Proactive Engagement

One transit project mapped out key stakeholders along the route who would be most impacted by work along the route. Based on level of impact the project team set up weekly, biweekly, monthly or occasional meetings with major organizations such as hospitals, firehalls, postsecondary institutions and schools, business improvement areas, large employers, large residential buildings, and community groups.

These rolling, proactive meetings provide an opportunity to share upcoming work, raise any priorities or concerns, and build trust. The relationships are developed before issues arise and the stakeholders know who to call and get quick responses. The contractor also factors in concerns raised and tried to make accommodations or at least provide rationale as to why they could not do something.

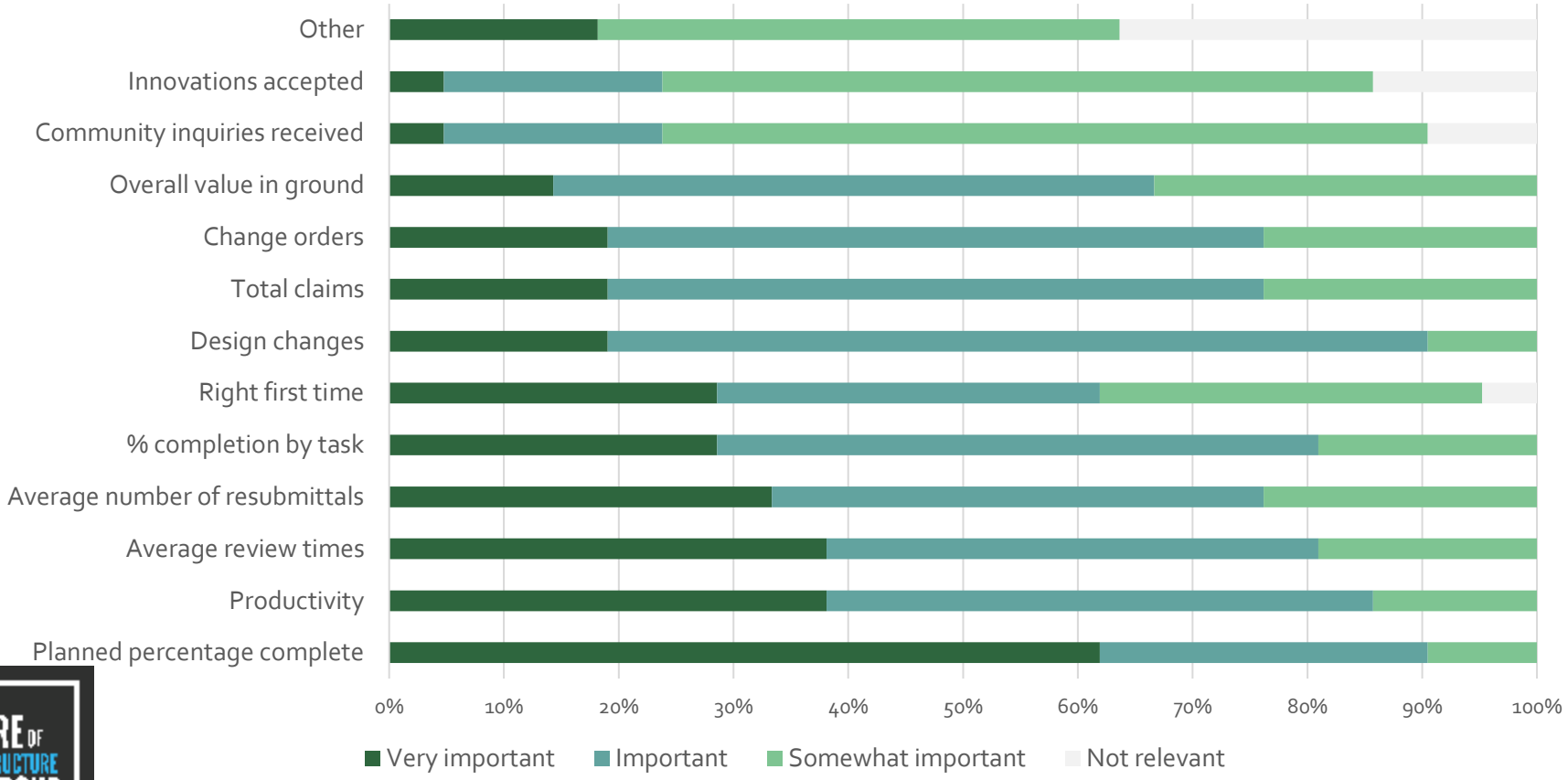
4

Other Factors

Reporting on Progress

When considering streamlining reporting, are there any specific metrics projects that should be tracked that provide the best indication of project health?

One area highlighted in the design of the survey was the heavy burden of reporting, that was often seen as being too onerous and/or tracking the wrong metrics. Some interesting areas came up such as average review times and average number of resubmittals as a way to track the project health. Slow internal decision-making has been highlighted as one of the major sources of delays.



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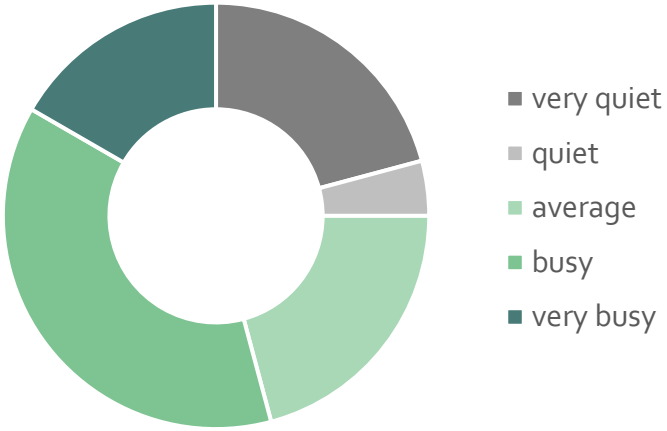
Current Issues

State of the Market

Amany respondents raised that the volume of work was causing issues within the market as projects were competing for talent. There is a majority of respondents with 54% stating the market was very busy or very busy.



Positions Needed

Across the survey skills shortages were highlighted as a big challenge faced. It was highlighted as the biggest contributor to cost rises, with 62% citing "Availability of specific skills" as being either most impactful or impactful. Feedback ranged from the need to invest in high level project leader skills, to mid-level professionals focused on management in specific areas to boost performance and productivity, to more specialist skills. Roles specifically called out include:

- Project leaders
- Planners, schedulers and estimators
- Project and program managers
- Mid-level experience (5-10 year range with training)
- Equipment operators, bricklayers, electricians, ironworkers

US Impact

A general view was that the impacts of the trade dispute with the US were yet to be truly felt. The big area was around specific equipment which already have long lag times. There was also concern voiced around the overall treatment of the impacts of a rapidly changing landscape. Although there may be clarity around direct costs, the knock-on impacts that can lead to delays are more difficult to predict and measure. Key themes raised:

- Mixed sentiment but most feel they have yet to feel full impact.
- Major concern on risk, sourcing alternative materials/equipment.
- Some pointed to proactive action take to secure supplies, also concerns around certain equipment (electrical, heating, chillers) having substantial delays already.

infrastructurelab.com/future-of-infrastructure-group

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