



NEWSLETTER – MARCH 2007

2007 CCIL DIRECTORY

The publication of the 2007 CCIL Directory of member firms has been delayed due to the Brand Review but we are pleased to advise that it is presently on the presses and that it should be in your offices by the end of March. Every corporate office and branch offices of our member labs will be receiving a copy for their personal use. If you would like to send a copy to a client, an organization, etc. please advise the National Office and shall be pleased to do so.

The Brand Review is similarly almost complete and in short order, you will start to see CCIL's new letterhead, web site and Newsletter format. This year long exercise was done to help CCIL to better promote our members' services.

KEY L INITIATIVES BEING UNDERTAKEN BY THE GEOTECHNICAL/CONSTRUCTION MATERIALS DIVISION

BC Certification Program Expansion

We are happy to advise that as of this date, twelve (12) labs have applied for and will be inspected within the next six weeks. CCIL has been very encouraged by the BC Ministry of Transportation's decision to mandated CCIL certification for the QA labs by January 1st, 2008.

Schedules of Fees

In keeping with the Divisions' instructions, the Recommended Schedule of Fees has been reviewed for 2007; all fees have been increased by another 5%. The lists are being finalized and will be ready for distribution in the near future.

Use of Trichloroethylene

With increasing worries about the use of chemicals in our environment, the CCIL/MTO Liaison Committee will pursue this issue very aggressively with the MTO, especially in view of the fact that there is an alternative method already in place.

CSA

Numerous complaints about CSA's apparent "policing role" rather than that of a certification agency will be undertaken by the National Board. The practice of the surprise visits which do not provide the opportunity for the labs to have the staff which needs certification on site, will also be discussed with CSA.

CNSC (Canadian Nuclear Safety Commission)

CCIL has recently been granted formal representation on the Cost Recovery Advisory Group (CRAG) committee. Stephen Walker The Paterson Grop has been named the CCIL representative on CRAG. .



CCIL has arranged to have a representative of CNSC speak at our spring meeting on their experiences with portable gauges. Bob Irwin of CNSC has been invited and will be one of the Division's guest speakers

Expansion of Concrete Program

Over the past 18 months CCIL has been working closely with the following members of the Ontario concrete construction community to expand our certification program from the existing asphalt and aggregate certification programs into concrete:

- Municipal Engineers Association (MEA)
- Ministry of Transportation of Ontario (MTO)
- Ready Mixed Concrete Association of Ontario (RMCAO)
- Members of the Consulting Engineers of Ontario (CEO)

All of the stakeholders in this new CCIL Concrete Certification Program realize that with the movement towards performance based codes, standards and specifications, there is an even greater need for timely and accurate concrete test results from companies that are committed to ensuring that all applicable CSA concrete testing standards are followed at all times.

In a performance based world, the importance and reliability of the concrete test results are critical to all members of the construction industry.

Due to the fine tuning still required to the documents relating to this new certification, the implementation of the program has been postponed to April 1, 2007.

New Committee Members Appointed by CCIL

Concrete Liaison Committee

Anne Holt's departure from Peto MacCallum has necessitated her replacement and we are happy to advise that Keith Foster from JEGEL has been contacted and has accepted to replace Anne on this liaison committee.

Ontario User Producer Group for Asphalt

With the voluntary disbanding of the Ontario Superpave Implementation (OSIC) Committee in the spring of 2006, it was necessary to address the concerns of the industry where the implementation of Superpave at the municipal level and issues related to the production and pavement of quality hot mix asphalt pavement surfaces in the provinces, OHMPA set out to form a new committee.

CCIL was asked to provide a delegate to sit on this committee and we are pleased to advise that Dr. John Emery, of JEGEL has been appointed the inaugural Chair of the Ontario User Producer Group (OUPGA). Param Dhillon of DBA Engineering Ltd. will serve as an alternate to ensure CCIL representation of this Committee. We thank both Dr. Emery and Mr. Dhillon for volunteering to represent CCIL's interests.

Key Environmental Initiatives undertaken by Division



Vice-Chair Appointed

After months of searching for a Vice-Chair, Dave Hope, Chair of the Division is happy to advise that Andrew Masters of Maxxam Analytics has accepted to fill in this position.

Dave Hope is equally thrilled to advise that Don Tambling of Bodycote/Norwest and Tim Crowther of ALS Laboratory Group have joined the Division as Directors and that Murray Hartwell of the Maxxam group has volunteered to become our Eastern representative and to provide input on issues facing the Eastern provinces.

We welcome all of the new volunteers.

Frequency of PT Samples

Rob Lessard of Bodycote/Norwest and Barry Loescher of Maxxam Analytics have been appointed to represent CCIL on a CAEAL/CCIL Committee being set up to study the frequency of PT samples. It is hoped that the committee will meet before the CAEAL AGM which is scheduled for June 2007.

MOE

The existing tripartite agreement for accreditation is being challenged by CCIL for replacement with an ISO 17025 requirement.

The Division is trying to set up a MOE/Liaison committee to answer the need for a regional committee to deal with the critical issues of fines and site inspections.

Environmental Division Benchmark Survey

This year, it is the Environmental's Division turn to participate in a benchmark survey. These surveys are very useful in providing statistical data on such things as operating costs, revenues, profitability, wages, benefits, etc., which allow the reader to determine where your firm fits into the industry landscape

The questionnaire to be sent to all members is presently being reviewed and on or by March 15th, it will have been provided to all corporate offices of the Division. This survey is an excellent tool which will help all of our members to see where they stand in comparison to others in the industry. The benchmark survey will be repeated every two years in order to establish industry trends.

The survey is a CCIL initiative and there is no charge for participating. The Board of Directors recognized the time and effort one must put into answering the benchmark survey, but also recognizes the benefit of this tool which will help every member of the CCIL see where they stand in comparison to others in the industry. Participants in the survey will be receiving a free copy of the completed survey, while those who for one reason or another elect not to participate, will be able to purchase a copy of the survey for \$2,000.00.



ACCREDITATION UPDATE

In November, 2006, Allan Maynard and David Hope met with the full CAEAL board to discuss our members' concerns about the cost of accreditation. CCIL has always had a good relationship with CAEAL and almost all of our members are also members in and highly supportive of CAEAL. Moreover, CCIL is a big advocate of accreditation and we always do our part in ensuring that regulatory agencies specify a requirement for lab work to be from accredited labs and that the accreditation should be to ISO 17025 – published a paper on that and sent it out to all regulatory bodies.

However, also have to remain competitive and we need to make sure that the costs we face are in line and not excessively higher than labs in other jurisdictions. There is no doubt that maintaining accreditation is expensive for our members – and it is one of the more significant line items on the income expense statement – these include

- cost of audits – including down time when the audits occur
- cost of PT samples – CAEAL and other suppliers – including the cost of running them
- cost of memberships
- cost of putting forth volunteer auditors

It would seem that the PT program is the most significant part of all this – so this is why we identified it for further investigation. CCIL carried out a study in June 2006. We analyzed a sub-set of member data to determine if reduced frequency or numbers would provide reliable determination of analytical problems. Our data suggested that the PT program could be reduced without adverse effects. In July of 2006 – CAEAL responded after having carried out a study on a larger set of data – including some labs that don't have accreditation. The results of this study contradicted what we had come up with however CAEAL offered some further suggestions as to how we could further discuss this issue – including a kind of risk based approach.

CAEAL – in particular Rick Wilson and Ken Middlebrook - have been proactive in broaching the subject of PT frequency and numbers of samples at the international level. There is now a strong awareness that there needs to be more of an international position of this subject in order to bring a better consistency from country to country. CCIL greatly appreciates their efforts.

In terms of our Canadian program, CAEAL cannot make changes without a proper rationale and thus suggest that a working group be struck – say 2 from CCIL and 2 from CAEAL to devise a study that would address **a risk based approach**. The CAEAL data base would be analyzed again in a more rigorous way to pose the question of a risk based approach to numbers of samples per program. This will be considered for early 2007 and this may be followed by a conference of some sort on PT – maybe timed to coincide with the CAEAL AGM.

A. Maynard and Dave Hope



ARE YOU GETTING YOUR FAIR SHARE OF GOVERNMENTS' R&D DOLLARS?

By Igor Marvan

It is surprising that after two decades in existence, so many small (and even medium size) companies are not aware of the support they can get from their governments to enhance their technology development activities. In other cases, companies do know about the program but are inhibited from filing the claim by a lack of understanding about what is eligible and /or a general fear of complicated paper trail requirements.

Even though, over 12,000 Canadian companies do file claim under the Scientific Research & Experimental Development (SR&ED) Program every year receiving over 1.5 billion dollars of tax credits, there are many more companies that undoubtedly perform eligible activities but do not claim.

In general , Canadian – controlled private corporations (CCPC), can receive an investment tax credit (ITC) of up to 35% of first 2 million of qualified expenditure for SR&ED work carried out in Canada. The wages, *materials, machinery, equipment, some overhead, and supporting contracts all qualify for the credit.*

In addition to Federal Governments support, there is additional contribution from provincial governments that varies from province to province. In Ontario and British Columbia it is 10%.

What is important to know that CCPCs are eligible to receive a refund of any funds that would exceed the tax owing in that particular year.

So what qualifies for the tax credits? Any experimental development work, investigation or research carried out in systematic manner to achieve technological advancement. In addition, the support activities, such as testing, engineering, design, data collection, operational research, mathematical analysis, etc., also qualify as long as they are directly connected to the research and experimental development activities.

It is my experience from working with laboratories over many years that such developmental activities are being undertaken almost all the time. I am also sure that only small portion of such work is claimed.

It is important to realize that the technological advancement does not have to be earth shattering; it may be only a small step in improving the company's processes and technical knowledge. The fact that competition would possess such knowledge does not disqualify the project - only if the information is freely available in public domain would do so.

There are some specific requirements for the work to qualify under the SR&ED program -it has to be scientific / technical in content, there needs to be some technological uncertainty whether the desired result can be achieved and it has to be carried out in systematic fashion by qualified personnel with the individual steps and financial controls reasonably well documented.

The more detailed information is available on the website www.cra.gc.ca/sred

Igor Marvan is a Professional Engineer who currently acts in an advisory role to assist companies to apply for their R&D tax credits. He works out of the Mississauga area.



Accreditation of Drinking Water Laboratories in Ontario – A Change is Needed!

On November 28th, 2006, Allan Maynard and Andrew Masters (CCIL director) met with PK Misra and Dan Toner of the Ontario Ministry of the Environment (OMOE). At that meeting we discussed a number of issues pertaining to laboratory work needed to support Ontario's safe drinking water programs.

One of the more significant concerns to our members is the accreditation requirements. Last June, 2006, we submitted a letter to the OMOE outlining our stance that the current tripartite system of accreditation of drinking water laboratories is no longer necessary given that both CAEAL (Canadian Association of Environmental Analytical Laboratories) and the SCC (Standards Council of Canada) are each internationally recognized accreditation bodies, thus negating the need for them to specifically work in a partnership as listed in the requirements for drinking water accreditation.

During our November 28th/06 meeting, they agreed with our position on this matter but outlined to us that the tripartite agreement between CAEAL and the SCC also includes the provision that the Ontario Ministry of the Environment (OMOE) is supplied with information resulting from the accreditation process – specifically the lab audit reports and the performance results from the proficiency testing (PT) program. In the standard model of ISO accreditation, this information is not supplied and it is up to each individual accredited laboratory to release such information, if requested. It is not normally requested because the audit results and PT information are assumed to be in compliance for a lab hold an ISO accreditation.

We suggested at our November 28th meeting, that the OMOE terminate the requirement for the tripartite accreditation and simply require an ISO 17025 accreditation of drinking water (as per our June letter). Then, as an additional requirement for a laboratory to hold a drinking water license, they must submit updated accreditation information to the OMOE on an annual basis. In this way, the OMOE have a more manageable accreditation process that falls into line with the manner in which all other laboratory work is accredited and still maintain, in their files, the additional information that is deemed by the OMOE to be necessary.

We then polled our members on this position and have now written to the OMOE to formally make this suggestion. Hopefully this will mean that some time in the next few months, the tripartite agreement for accreditation will be terminated.

SPRING DIVISION MEETING – APRIL 16TH, 2007

Both Divisions will be meeting with their members at the Holiday Inn Select, Toronto Airport on April 16th, 2007 for an informative session. Both divisions are lining ou their guest speakers and will join together for lunch. Please set this date aside. As soon as the guest speakers' list confirmed, the formal invitation with proper information will be sent to you.