GM23.8.1

To the City Clerk:

Please add my comments to the agenda for the December 5, 2017 City Council meeting on item 2017.GM23.8, Feasibility of Requiring Gender Diversity of Corporation Boards in City Procurements

I understand that my comments and the personal information in this email will form part of the public record and that my name will be listed as a correspondent on agendas and minutes of City Council or its committees. Also, I understand that agendas and minutes are posted online and my name may be indexed by search engines like Google.

Comments: City of Toronto Council Consideration of GM 23.8 Feasibility of Requiring Gender Diversity of Corporation Boards in City Procurement

Who We Are:

The Heavy Construction Association of Toronto (HCAT) represent the GTAH contractors involved in building and repairing bridges, tunneling and stations for subways, trains and LRTs as well as deep foundations and shoring for buildings and marine construction.

Our Position on GM 23.8:

HCAT supports the staff recommendations made to Council in this report. Staff has correctly indicated that this requirement is unattainable and would add substantial costs to the construction process in the City due to reduced competition. To support this recommendation, HCAT provides below a summary of the Heavy Construction sector in the GTA.

Impact On the Heavy Construction Industry:

HCAT member firms are composed of both smaller, family-owned companies, and some of the world's largest. The small firms owner(s) represent and guide their businesses. These companies generally do not have Board of Directors. On the other hand, the largest firms are often divisions of international conglomerates that have very few women, if any, on their Boards.

The Eglington Crosstown project is an example where some of the largest firms in the country teamed up to win the bid against more international competition. Allowing these large firms to participate ensures taxpayers are getting the most competitive pricing possible.

So, putting in place a uniform requirement that any company doing business with the City must "…have at least 30 percent gender diversity on their Boards of Directors," is simply not feasible for every company. In fact, it would substantially decrease competition for City contracts in our sector, which would consequently result in a sharp increase in the price of construction work.

Alternative Diversity Programs at the City:

HCAT is supportive of the thoughts behind Social Procurement. Construction has been and continues to be one of the best ways new Canadians can earn a good living while learning the language. We simply believe this proposal is not the appropriate way forward.

The City is working to develop a program framework around its Social Procurement Policy. While there are still some significant complications to work through with this program, it does have the potential over the long-term to push a more workable diversity initiative, because it does not aim to put restrictions on market access; rather it intends to expand it.

Peter

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