

December 2, 2019

President's Rebuttal Message for December 5, 2019 Meeting
RE Possible City Suspension
Agenda Item IE10.2

226 Bradwick Drive
Concord, ON L4K 1K8
905-738-1500
torontozenith.com

Dear Infrastructure and Environment Committee Members:

By way of introduction, I am the President and CEO of Toronto Zenith Contracting Limited. I am a proud citizen of Toronto who has lived here for most of my life and I think this is the best City in the world. I am also just as proud of my company and all the great projects we have been involved in over the years to make Toronto, the Region and this Province an even better place.

Hence, it is with deepest regret that I find myself here today, standing before this committee to address my company's possible suspension on bidding City of Toronto work for the next year. I am also troubled by the City's practice of publishing its judgments on the internet.

As the President and CEO of Toronto Zenith, one of my jobs is to protect our company's strong reputation and image that we have built up over the past 60 years. I also understand that It is your right and responsibility to choose who you want to do business with. However, the practice of publishing these judgments on subjective matters that have not been heard by a third party has the potential to cause unnecessary damages to our good reputation.

Heavy civil construction is a service that Toronto Zenith has been providing since its incorporation in 1959. We build bridges, roads, sewers and tunnels as a general contractor throughout Ontario. The company also annually provides employment for a unionized construction workforce of approximately 150 to 200 people.

As we speak, within a short 20 km radius of City Hall, Toronto Zenith is currently working on about \$100 million worth of civil projects at various stages of completion. They are all complex projects, on 400 series type highways. We work with the Ministry of Transportation, Metrolinx, CP and CN Rail and most of the municipalities throughout the region. We have a solid safety and quality reputation with all the owners we work for. We are COR certified (Certificate of Recognition for our safety system) and we continually hold ourselves to the highest standards when it comes to the safety of our employees, our job sites and our fellow citizens. Toronto Zenith has never been disqualified because of our performance, competency or for safety reasons.

In response to our possible suspension, Toronto Zenith still stands strongly by its belief, as outlined in the many documents and minutes of meetings we have submitted, that the infractions are not only debatable, but even if some were conceded, do not warrant the damage that the city's judgment could inflict upon the company's image and its employees' livelihood; especially if published on the City of Toronto web page.

As we have previously noted in our documentation, all companies have quality control (QC) and safety incidents, but a good QC and safety culture and program is demonstrated by how a company manages those incidents and learns from them. Toronto Zenith utilizes best practices and have a sophisticated and well-developed processes that has helped us manage and develop a strong QC and safety culture throughout our history. I believe our clients would agree and we invite you talk to them or visit our sites.

We also believe that Toronto Zenith met our contractual obligations for our Toronto contracts. On the Morningside project, we have tried to work with City officials to reach an acceptable resolution to our disagreements since the completion of the contract. However, City staff has been unwilling to utilize the contractual mediation process that is available, and as a result, we have been obligated to commence legal proceedings against the City.

Toronto Zenith argues that the judgements and decisions for suspension in this case are subjective and may be personality driven. We are not claiming to be perfect, but we do believe there are two sides to every story and this story was not adjudicated objectively by a third party. Once again, we do not challenge your right to make this decision. We just do not want to be publicly shamed for something that was not objectively judged.

I would like the committee to note that since this process began in January of this year, we voluntarily removed ourselves from bidding while we made our case. Hence, I ask the committee to consider if this is punishment enough.

In conclusion, we would respectfully ask the committee to not recommend a bidding suspension for Toronto Zenith. However, if the City of Toronto decides to suspend us for a year, we ask for you to consider not publishing this on the internet due to the subjectivity of the process and the damages that could affect our reputation.



226 Bradwick Drive
Concord, ON L4K 1K8
905-738-1500
torontozenith.com

Finally, I am very involved in the construction industry and Toronto Zenith is an active member of the Toronto Construction Association, the Ontario Road Builders Association and the Heavy Construction Association of Toronto (HCAT). I am also currently a Director and Past President of HCAT and would very much like to work with the city to improve on the culture of safety and quality in construction.

I thank you for the opportunity to make our rebuttal relating to the suspension recommendation made by the Engineering and Purchasing Departments and look forward to partnering again in the future.

Regards,

Aldo Paganelli, President and CEO
Toronto Zenith Contracting Limited