

DOMTI ENGINEERING & CONSTRUCTION LTD.

71 Matson Drive, Caledon, Ontario L7E 0A3

PW3.2.3

April 9, 2015

To: Public Works and Infrastructure Committee,

Re: Proposed Suspension of Domti Engineering & Construction Ltd. (Domti) from City of Toronto Construction Procurement Calls

Dear Members of the Public Works and Infrastructure Committee,

This purpose of this letter is to respectfully request that you defer your decision regarding the Staff Report of March 20, 2015 which recommends the temporary suspension of Domti from City of Toronto Construction Procurement Calls until Domti has had a reasonable opportunity to respond to the comments contained in the Staff Report.

Although the Staff Report was prepared on March 20, 2015, it was not sent to Domti until 6:45pm on March 31, 2015. Given the seriousness of the matter at hand and the length of the Staff Report, I requested that Purchasing allow me a reasonable amount of time to respond before placing this matter on the agenda before you today. I was denied my request.

Domti disagrees with the use of the City's Contractor Performance Evaluation Tool as it is based on the opinion of the Contract Administrator and there is no official mechanism in place for the Contractor to refute or appeal the evaluation results. The recommendations from Staff are based upon the City's Contractor Performance Evaluation (CPE) for interim reports on 2 projects.

On Contract 14TE-19RD, the first CPE was sent to Domti on December 9, 2014, six months after the project commenced. Despite it being marked as Interim Report #2, it was the one and only CPE report prepared and sent to Domti for this project. Given the concerns expressed by the Contract Administrator, such interim report should have been prepared and sent to Domti in a timely manner, not after six months. A Notice of Default was sent to Domti on December 8, 2014 prior to the first CPE being given to Domti. Despite Domti's response to the notice and on-going productive work on the project, City Staff decided to terminate the project with no allowance to mediate or arbitrate the dispute as allowed for in the General Conditions of the Contract.

Upon my request to meet with senior staff to resolve the dispute, a meeting was arranged with the Director of Engineering & Construction Services on January 23, 2015. At this meeting, my request for the City to reconsider the termination of the contract was immediately denied by the Director without an opportunity to provide explanations for the City's concerns on the project. I was told by the Director that "this ship has already sailed" referring to the decision to terminate the contract.

Regarding Contract 14TE-18RD, I was told by the Director at the January 23rd meeting that I needed to improve my performance on the project when it resumes in the Spring 2015 to avoid a possible suspension from bidding City contracts. Hence I was totally surprised that such a recommendation was made even before work resumed on the project and before a final CPE can be prepared.



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Domti Engineering & Construction Ltd. has been working on City of Toronto projects since 1975. For 40 years Domti has provided competitive bids and honoured its obligations to the City. We have always been and continue to be dedicated to providing the City with the best possible prices and service. As we have been working almost exclusively for the City of Toronto, we feel that a suspension from bidding upon or working as a sub-contractor on City of Toronto projects would pose undue hardship on our Company and its employees.

In conclusion, we respectfully request that the Committee defer its decision on this matter before making a recommendation to City Council until Domti has been given a reasonable time to address the issues in the Staff Report. Our position is also supported by the Toronto Area Road Builders Association (TARBA) and The Universal Workers Union (LiUNA Local 183) who would also be affected by a possible suspension of Domti. Both TARBA and LiUNA Local 183 have submitted comments on this matter for your consideration.

Respectfully yours,,

Giancarlo Sansalone, P.Eng.
Domti Engineering & Construction Ltd.



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