



January 22, 2024

City of Toronto Budget Committee
100 Queen Street West,
Toronto, ON M5H 2N2

Sent via email: buc@toronto.ca

Dear Toronto Council,

I am reaching out on behalf of the Progressive Contractors Association of Canada (PCA) to urge you to put the interests of local taxpayers first, by supporting open tendering on City of Toronto construction projects. Toronto can simply no longer afford to ignore tens of millions of dollars in potential savings.

PCA is a national association of leading construction companies that employ 40,000 unionized skilled workers across the country; workers that are primarily members of the CLAC labour union.

Our member companies are prohibited from bidding on local taxpayer funded projects because their workers do not belong to the city's favoured list of building trades unions. This dated procurement process, which was implemented back in the 70s in Toronto, stifles competition, resulting in fewer bids and far higher construction costs.

As Toronto taxpayers face a whopping double digit property tax hike, Toronto should be looking at reigning in construction costs by doing what all other Ontario municipalities do: openly tendering city projects.

Open tendering has resulted in significant savings in other municipalities that opened up their tendering process. Hamilton for example, has saved an average of 21 percent on construction work, according to the Cardus think tank. It estimates that each year Toronto Council ignores open tendering, it passes up on savings of at least \$347 million annually.

Some try to argue that open tendering will compromise safety, or lead to lower wages for construction workers. That's simply not true; not when the city's requirement of a Certificate of Recognition (COR) ensures that only the safest contractors can bid and work on City of Toronto construction projects.

Toronto's Fair Wage Office also ensures that workers are paid good wages. For instance, Toronto's Fair Wage Policy states that electricians working on city projects must be paid over \$50 an hour including vacation and holiday pay. Toronto already has extensive safeguards in place to protect the public and workers.

Paying far too much for construction work makes no sense, given today's fiscal reality. The city's capital budget has a shortfall of well over a billion dollars and growing, while the state of its infrastructure gets worse.

It is impossible to justify such a hefty property tax hike, when Toronto Council sticks with a costly, anti-competitive procurement process, decade after decade. Isn't it time that changed?

Our message is this: save public tax dollars by supporting open tendering.

A handwritten signature in blue ink, appearing to read "Stephen Hamilton". The signature is fluid and cursive, with the first name "Stephen" being more prominent than the last name "Hamilton".

Stephen Hamilton
Director of Public Affairs, Ontario
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