

September 25, 2025

Infrastructure and Environment Committee
City of Toronto

Dear Committee Members,



RE Agenda Items for Meeting on September 27, 2024:

- **IE16.2 – Enhancing Capital Infrastructure Program Coordination**
- **IE16.4 – Congestion Management Plan 2023 - 2026 - Fall Update**

The Toronto and Area Road Builders Association (TARBA), the Greater Toronto Sewer and Watermain Contractors Association (GTSWCA) and the Heavy Construction Association of Toronto (HCAT) members collectively are responsible for delivering 75 percent of the City of Toronto's total construction capital spend.

We want to work collaboratively with city staff to identify tangible solutions that would accelerate project timelines, alleviate gridlock, and reduce overall building costs.

We are still using infrastructure that was put in place by our grandparents, and we are now seeing the impacts of underinvestment from past decades with this summer's flooding and ongoing lack of affordable housing. With Toronto's continued growth and changing climate, delaying investments and halting construction is not an option—but there are procurement practice improvements that can be made at the city level to speed up projects.

While **lane closures** during construction may be seen as a nuisance for commuters and local businesses, they are crucial safety features in construction work zones, mandated by legislation to protect both workers and the public and allow space for essential equipment and waste disposal. Increasing fees for this necessary safety buffer between active traffic and construction zones will not alleviate traffic congestion, but it will certainly increase building costs for taxpayers.

The competing priorities of accelerating construction timelines and maintaining acceptable noise levels for city residents make it clear that **24/7 construction** has limitations in densely populated areas. This approach can only be effectively implemented under specific circumstances and must be included in project planning documents at the time of tender so it can be priced accordingly.

TARBA, GTSWCA, and HCAT jointly propose the solutions below to accelerate construction timelines, alleviate gridlock, and reduce taxpayer costs:

1. Early Tendering and Faster Project Award

By tendering and awarding capital projects—particularly linear infrastructure like road maintenance, sewer expansion, and bridges—in late Fall or early Winter for the following year, the City can maximize the number of working days within the construction season and will likely receive more competitive pricing.

The current practice of awarding these vital construction projects in Spring or even Summer restricts the timeline needed to complete the work, as most work must cease by late November due to weather conditions, and nearly guarantees that some projects must roll over and be completed in the following year, coinciding with other planned projects and exacerbating congestion issues.

Other GTA municipalities approve their capital budgets in December, separately from their operation budgets that are approved later in March/April, allowing them to award projects earlier, receive more competitive pricing, and commit contractors to the work. In contrast, Toronto is left with a smaller pool of bidders and likely higher pricing. Additional administrative award processes in Toronto mean that even city projects that are already approved as part of the ten-year capital plan and/or the annual budget face further delays before being awarded and the work starting (an average of 60 days, and some as long as 190 days, from bid close to award).

2. Incentivize Project Acceleration

Contractors undertake the construction project based on the conditions of the negotiated contract. While there are severe financial penalties for projects running late, there are rarely any financial incentives for finishing early or for easing traffic congestion when possible, such as clearing lane closures on weekends or evenings if no work is planned. Since moving pylons, equipment, and/or waste containers back and forth takes workers time, a built-in incentive can help streamline traffic flow outside of construction hours.

For example, some neighbouring municipalities include a contingency amount in each project so that project managers can approve necessary change orders and acceleration opportunities at their discretion.

3. Empower Decision-Making by Project Managers

Linear and underground construction projects always encounter design conflicts as the conditions under a road can rarely be fully accounted for before demolition begins. This includes unmarked ground utilities, archeological ruins, and even buried waste. As such, no project can ever be executed as initially designed since there are always unexpected hurdles once construction starts.

Project managers should be granted much greater powers to decide how projects should proceed when a conflict is identified (called a change order), as is the practice in neighbouring municipalities. Over-reliance on procurement and legal staff to make these technical engineering decisions creates significant payment disputes and delays on city projects.

Currently, project changes can take weeks (or longer) for approval—and some have to go all the way up to City Council—while a project sits idle due to uncovering a complication not identified in the project drawings. Given the size and scope of project work in the City of Toronto, project managers should be able to approve change orders up to 5% of the contract

value or \$150,000 (whichever is the lesser). For change orders exceeding this value, the City should commit to reviewing and responding to these requests immediately.

4. Better Coordination and Communication

Improved coordination is needed both between different projects and within individual projects. Consistent traffic modeling is needed to assess the impact on traffic accurately. Consulting with contractors on traffic plans for projects well in advance of the project start date will significantly reduce any inconsistencies between what is on paper and what can reasonably be implemented in the field.

Taking the time to review upcoming projects and priorities for a specific area can also minimize disruption. For example, coordinating watermain/sewer work, road work, and bike lanes installation and maintenance under the same contract and/or timeline can significantly reduce both building costs for taxpayers and disruption for residents.

Additionally, clear communication with residents about the necessity of project work and timelines should always be prioritized to maintain public trust and understanding.

5. Promote a Culture of Innovation

Despite bearing nearly all the risk and being responsible for the final project outcome and long-term performance, contractors often face a risk-averse city administration hesitant to adopt new technologies or procurement models. This means that contractors must abide by the city's contract specifications and conditions even if there is a better, faster way to build.

For example, on complex projects, adopting a Design-Build Model where a single entity provides design and construction services under a single contract can unlock efficiencies and encourage innovation.

We look forward to discussing these proposals further and working collaboratively with council and city staff to find efficiencies and put in place solutions that will make a positive difference for Toronto residents.

Sincerely,



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