



April 4, 2025

General Government Committee
City of Toronto
Toronto City Hall
100 Queen Street West
Toronto, ON M5H 2N2

Sent electronically to ggc@toronto.ca

Dear General Government Committee Members,

RE: GG20.10 Review of Bid Award Panel

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), whose members collectively deliver 75 percent of the City of Toronto's annual construction capital expenditures, **strongly endorse the recommendations put forth by the Chief Procurement Officer to eliminate the Bid Award Panel and delegate award authority.**

We extend our gratitude to Councillor Saxe for her latest motion to review the role and function of the Bid Award Panel following our presentation at the Infrastructure and Environment Committee on September 27, 2024. While the outcomes of this review are aligned with industry expectations, we commend the thorough process and the city's commitment to improving award timelines. This effort is crucial for fostering a competitive procurement environment, attracting more bids, and ensuring responsible use of taxpayer funds.

Long project award timelines represent one of the major contributing factors to the decreasing number of bidders and higher construction costs on City projects over the last decade. Contractors bidding on Toronto projects have long faced uncertainty due to months-long wait times after the tender period closes and before projects were awarded, limiting their ability to bid on other projects during that period, due to concerns with overextension in case of multiple project awards. As a result, bidding companies are compelled to overestimate fixed cost increases for labor, equipment, and materials, along with contingency provisions due to unpredictable risks. This uncertainty discourages bid submissions, resulting in higher costs and reduced bid volumes for the City.

The Bid Award Panel, which is entirely unique to the City of Toronto, has contributed to unnecessary delays in project awards without commensurate benefits for taxpayers. This additional administrative step prolongs the award process for projects that have already been approved under the 10-Year Capital Plan and Annual Budget, delaying project commencement by an average of 60 days, and in some cases up to 190 days, post-bid closure. This contrasts sharply with neighboring municipalities, where typical award timelines range from one to four weeks. Our continued recommendation to the City is to award projects within 30 days of bid close.

We emphasize the importance of maintaining public transparency in the award process and **endorse the Chief Procurement Officer's recommendation for the continued publication of *timely bid summaries and awarded contract prices***. This transparency ensures fairness, competitiveness, and allows contractors to analyze market trends, compare bids, and refine cost estimates for future projects.

We urge the members of the General Government Committee to accept the recommendations, which will help accelerate the timely award of construction projects within the City of Toronto, and with that, help reduce congestion and improve accountability for taxpayers.

Sincerely,



Raly Chakarova
Executive Director, TARBA



Patrick McManus
Executive Director, GTSWCA



Peter Smith
Executive Director, HCAT

