

**BROADER CONSTRUCTION ASSOCIATION CONSULTATION GROUP**  
Between the  
**CITY OF TORONTO & THE CONSTRUCTION INDUSTRY ASSOCIATIONS**

**MEETING NOTES**  
**February 18, 2015**  
**2:00 p.m. – 4:00 p.m.**  
**City Hall, 2<sup>nd</sup> Floor, Committee Room 4**

Attendees:

NAME	CITY OF TORONTO	NAME	ASSOCIATION
Michael Pacholok (Chair)	Director, Purchasing & Materials Management Division	Barry Steinberg	Consulting Engineers of Ontario
Deputy Mayor Minnan-Wong		Giovanni Cautillo	GT Sewer & Watermain Contractors Association
Michael D'Andrea	General Manager – Engineering & Construction Services	Eric Lewis	Heavy Construction Association of Toronto
Stephen Buckley	General Manager – Transportation Services	Adam Tracey	Ontario Association of Architects
Lou Di Gironimo	General Manager – Toronto Water	Carl Bodimeade	Ontario Coalition for Sustainable Infrastructure
Sunil Sharma	Director – Facilities Management	Clive Thurston	Ontario General Contractor Association
David Jollimore	Director – Facilities Management	Doug Duke	Ontario Hot Mix Producers Association
Gregory Moorby	Director – Facilities Management	Geoff Wilkinson	Ontario Road Builders' Association
		Andy Manahan	Residential and Civil Construction Alliance Ont.
		Bart Kanters	Residential and Civil Construction Alliance Ont.
		Cosimo Crupi	Toronto and Road Builders Association
		Patrick Mcmanus	Ontario Sewer & Watermain Construction Assoc.
		Brian Gage	Ontario Coalition for Sustainable Infrastructure

Regrets: Josie Scioli, Chief Corporate Officer

Staff: Anita Posso, Administrative Assistant, PMMD

ITEM	DISCUSSION/COMMENTS RAISED	ACTION
1. Welcome & Introductions	<ul style="list-style-type: none"> <li>• Round table introductions</li> <li>• Michael Pacholok thanked representatives of associations and City Division for attending today</li> <li>• The City did not invite individual companies to attend to avoid conflict of preferential treatment.</li> </ul>	
2. Deputy Mayor Denzil Minnan-Wong's Vision for this group	<p>Deputy Mayor Minnan-Wong's vision was to see a better, faster and more efficient and productive procurement process between the City and Construction Associations and to review the terms of reference for this group. In terms of context, will not be able to solve current problems in two weeks and also spoke upon a meeting held last year with the Associations on what issues could be resolved between the City of Toronto and Construction Associations. Interested in the resolution of the City to pay out for work completed sooner. At last year's meeting, there was discussion on benchmarking, difficult practices, etc.</p> <p>Deputy Mayor Minnan-Wong said that he will be interested in meeting quarterly but in a non-active role, only as an interested observer. Deputy Mayor Minnan-Wong stated that it may be useful to find out what other GTA Municipalities do in procurement and is interested in working with the Associations.</p> <p>Deputy Mayor Minnan-Wong stated that the Construction Associations should be a vehicle of information to relay information back to vendors and contractors.</p>	

ITEM	DISCUSSION/COMMENTS RAISED	ACTION
<p>3. Overview of the Terms of Reference</p>	<p>Overall, the Terms of Reference main goal and objective of the Broader Construction Association Consultation Group (BCACG) is to enhance the relationship between the City of Toronto and the Construction Associations in the GTA. This is to facilitate open and ongoing consultations. This would include the outlook on future City of Toronto Construction and receiving information on emerging trend in the construction industry.</p> <p>The name of the group was brought up in discussion, determining if there would be a better name. The following are a few of possible names of the Executive Group:</p> <ul style="list-style-type: none"> <li>• Construction Industry</li> <li>• Broader Construction Sector</li> <li>• Construction Consultant Group</li> </ul> <p>The main issues which have arisen in the past are:</p> <ul style="list-style-type: none"> <li>• opportunity to improve construction procurement and contract management</li> <li>• Discuss on ways the construction industry could support the City</li> <li>• Receive feedback on proposed solutions to identified issues</li> <li>• Enhance the City and improve</li> </ul> <p>ORBA requested that they be separated out from TARBA in the Terms of Reference</p> <p>CEO requested that starting in the vision statement that there be a clearer distinction between professional services involved in construction and the general construction contractors</p> <p>RCCAO requested that we do add something to clearly identify benchmarking against other municipalities</p>	<ul style="list-style-type: none"> <li>• Michael Pacholok will invite to the next meeting Parks, Forestry &amp; Recreation as they have big Capital Projects</li> <li>• The City will incorporate changes suggested into next version of Terms of Reference and circulate for further comment from the Associations</li> </ul>

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4. Review of identified Issues		
a. Completeness of the List	<ul style="list-style-type: none"> <li>• OCSI is interested in sustainability including financial – would like to see more life cycle of project with considerations from beginning to end in the procurement process</li> <li>• RCCAO raised that we'll have to look at risk transfer if moving to P3s/AFPs</li> <li>• OCSI raised issues as it relates to the pre-selection of equipment <ul style="list-style-type: none"> <li>○ Liability being downloaded from GC to supplier and how it may need to be limited versus unlimited</li> <li>○ Normally general contracts have liability but equipment companies cannot bid because these companies get disqualified</li> <li>○ Need to have leeway for staff to come visit equipment to see innovation</li> <li>○ Name/not Name: if looking to define costs, 'named' equipment could be part of the description of the bid, there might be some flexibility</li> <li>○ Members suggested at looking at Peel Region's pre-selection of equipment.</li> <li>○ There is a concern of the bid documents have been too strict on what is in the qualification of equipments</li> </ul> </li> <li>• OGCA asked for the City to consider using the CCDC for two part closing in Tenders and to help ensure agencies are following the decisions made with the City with respect to the General Conditions/Supplementary Conditions of Contract</li> <li>• TARBA raised recycling of sidewalk/road material being able to be used as fill in other contracts. Material cannot be taken to City landfills. Big savings for Road Construction Association if allowed.</li> </ul>	Items will be added to Issues list

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	<ul style="list-style-type: none"> <li>○ Michael D'Andrea stated that the real issue is quality control.</li> <li>○ Stephen Buckley asked the Associations to provide information to the City of Toronto on how and what they are doing.</li> <li>● RCCAO indicated that a related issue is soil management. Toronto Water indicated that they hope to have a solution for that soon.</li> </ul>	
b. Prioritization	City suggested to bring issues list to organization and ask for <b>top five</b> on what they would like to work on sooner	<p>City to update the identified issues list based on discussion.</p> <p>City to provide to Associations the updated list for review and to indicate the top five items (at least) and return to City within a month (by <b>Wednesday March 25, 2015</b>)</p>
c. Update on Work underway	<p>(1) Timely Payment</p> <ul style="list-style-type: none"> <li>● Michael gave a brief update that City staff have set up a working group to streamline process</li> <li>● Currently implementing an improvement to an internal process to ensure payments are done within 30 day payment compliance</li> </ul> <p>(2) Holdback Release</p> <ul style="list-style-type: none"> <li>● Begun looking into this – looking at more training for City staff</li> <li>● Timely payment resolution will help this</li> <li>● Associations indicated where deficiency should hold back on that but what should be paid for rest of work</li> <li>● CEO should look at how holdbacks are being done for engineering assignments and whether that can be improved</li> </ul> <p>(3) Change Order Management</p> <ul style="list-style-type: none"> <li>● No update</li> </ul>	<p>Future meetings will have more detailed updates on items.</p> <p>City will continue to work on items.</p> <p>OGCA offering to provide contact from Calgary to Michael Pacholok related to Utility Locates</p>

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	<p>(4) Contract Award Time Lines – reduction</p> <ul style="list-style-type: none"> <li>• Analysis being done on delays to identify where bottleneck is occurring (PMMD/Client/Legal)</li> <li>• Have changed letter to contractor to indicate that work can start without a PO (but with an exec. Agrmt)</li> </ul> <p>(5) Prequalification – GCs and subs</p> <ul style="list-style-type: none"> <li>• No update</li> </ul> <p>(6) Contractor Performance evaluation (CPE)</p> <ul style="list-style-type: none"> <li>• City indicated making minor amendments to procedure including having more people sign off to help deal with consistency, being clearer on the number of evaluations being done and create communication that contractors can have dispute CPE scores</li> <li>• OGCA suggested City review the IO model which addresses many concerns</li> <li>• Also noted that MTO is reviewing their system</li> </ul> <p>(7) Utility Locates</p> <ul style="list-style-type: none"> <li>• City highlighted what was in Managing Construction Disruption Report that we'll be writing complaint to Province</li> <li>• City indicated looking at a way to allow Contractors to order locate shortly after award of contract</li> <li>• GTSWCA indicated that we have to be mindful of delays related to locates and not apply liquidated damages <ul style="list-style-type: none"> <li>○ Michael D'Andrea indicated that City should be flexible on that point if contractor showing efforts to obtain locates</li> </ul> </li> <li>• Should look at Calgary's approach</li> <li>• Lou Di Gironimo indicated looking to in part solve locate issue by joining with Enbridge</li> <li>• Concern also raised about the utility company requiring the contractor to be on site (Hydro One)</li> </ul> <p>(8) Recycled Materials – Equivalent</p> <ul style="list-style-type: none"> <li>• No update</li> </ul>	

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	<p>(9) Bonds &amp; Insurance – distinct pay items</p> <ul style="list-style-type: none"> <li>• No update</li> </ul> <p>(10) Payroll Burden – uniform application</p> <ul style="list-style-type: none"> <li>• City has put together an all-inclusive hourly labour rate schedule by classification</li> <li>• ECS will pilot this payroll burden when requiring time &amp; material pricing via extra work</li> <li>• Schedule will be posted on ECS website in early March</li> <li>• If successful will be rolled out to other Divisions</li> </ul> <p>(11) Tender Quantities – reduction in tenders</p> <ul style="list-style-type: none"> <li>• No update</li> </ul> <p>(12) Tender items – reduction and role up in tenders</p> <ul style="list-style-type: none"> <li>• No update</li> </ul> <p>(13) E-drawings</p> <ul style="list-style-type: none"> <li>• PMMD looking at whether there is still an internal limitation on technology to post drawings</li> <li>• If we can post drawings, they will still be sold in tendering window</li> </ul> <p>(14) E-Tendering</p> <ul style="list-style-type: none"> <li>• PMMD working on a business case to help introduce automation across entire supply chain process <ul style="list-style-type: none"> <li>○ Comparing a full SAP solution against systems like Bravo Solutions (Province's new tender portal)</li> <li>○ Business case to be presented internally to DCM&amp;CFO by end of April</li> </ul> </li> <li>• OGCA indicated that would prefer that everyone use one site to make it easier on contractors <ul style="list-style-type: none"> <li>○ Has seen a demo of esolutions (being used by Newmarket/Milton) and is working to do a pilot on expanding esolutions</li> </ul> </li> </ul>	

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	<ul style="list-style-type: none"> <li>○ Not a fan of solutions that pass cost onto contractors</li> <li>○ Will help champion need for a solution</li> </ul> <p>(15) Hot Mix Asphalt Price Adjustment</p> <ul style="list-style-type: none"> <li>• No update</li> </ul> <p>(16) Implementing Super-Save Specs</p> <ul style="list-style-type: none"> <li>• No update</li> </ul> <p>(17) Posting Future Capital Projects Online</p> <ul style="list-style-type: none"> <li>• 2015 projects and 2016 preliminary program can be viewed on City's TO Inview (<a href="http://www1.toronto.ca/wps/portal/contentonly?vgnextoid=bfe817b06fbc1410VgnVCM10000071d60f89RCRD">http://www1.toronto.ca/wps/portal/contentonly?vgnextoid=bfe817b06fbc1410VgnVCM10000071d60f89RCRD</a>)</li> <li>• Includes items like Toronto Water's forcemain renewal program, trunk sewer program, trunk sewer maintenance hold program and Transportation's pedestrian infrastructure improvement program</li> <li>• The BCACG will also be forum to discuss future capital program</li> <li>• Comprehensive Economic Trade Agreement (CETA) with EU will also make it a requirement to post future procurements on a notice board when it comes into force in 2016</li> </ul> <p>(18) Consistent approach across Divisions</p> <ul style="list-style-type: none"> <li>• No update</li> </ul> <p>(19) Options to use credit/debit at Tender Office</p> <ul style="list-style-type: none"> <li>• Completed – Tender office now accepts Visa/MC/AMEX/debit</li> </ul> <p>(20) Investing more in Pre-engineering</p> <ul style="list-style-type: none"> <li>• No update but clarified that it meant the idea of putting more time and money into the engineering and design phase to minimize change in scope and ultimately save money</li> </ul> <p>(21) Bonuses for completing projects early or on time</p>	<p>OCSI to provide document on selecting a professional consultant</p> <p>CEO will provide sample RFPs from other jurisdictions.</p>



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	<ul style="list-style-type: none"> <li>As part of Managing Construction Disruption Report, City staff to begin reviewing this and report back to Public Works and Infrastructure Committee by June 2015 on options</li> </ul> <p>(22) Exploring more shared liability</p> <ul style="list-style-type: none"> <li>No update</li> </ul> <p>(23) Better communication and contract management between contractors and the City</p> <ul style="list-style-type: none"> <li>No update</li> <li>The BCACG is the starting point of this</li> </ul>	
5. Meeting Frequency	<p>The group felt that <b>quarterly meetings</b> are manageable; also, if required, ad hoc in between quarterly meetings for items that have arisen could be organized.</p> <p>The group wanted quarterly meetings to be set in advance</p> <p>Michael Pacholok will ensure minutes are completed, provide an agenda and will coordinate the dates for the ECCG.</p> <p>The Terms of Reference indicate minutes will be sent to all members within 5 working days from the meetings conclusion.</p>	<p><b>All members agreed to quarterly meetings</b></p> <p>The City will change frequency of meetings section of Terms of Reference to indicate ad hoc meetings</p>
6. Other	<p>GTSWCA requested that metrics be provided on items such as length of time to award contract, payment/holdback timelines etc.</p> <p>GTSWCA suggested that a Completed Issues list should also be created and circulated.</p>	<p>The City to investigate what metrics can be provided.</p> <p>The City will provide a completed issues list.</p>
7. Adjournment	<b>Meeting Adjourned 3:50 p.m.</b>	