



Maximizing Value For Taxpayer Dollars on Public Infrastructure Projects And Defending The Rights Of Canadian Companies And Workers

DESCRIPTION

Following the Federal Government's launch the Canada Infrastructure Bank to fund over \$180 billion in construction projects over the next 12 years, it is imperative that public infrastructure policy at all levels of government maximize the fairness and cost effectiveness of public funds. The significance of such fiscally responsible practices is compounded by the fact that the British Columbia government will be introducing restrictive tendering policies for public infrastructure projects, similar to those already in place in multiple jurisdictions in Ontario, to the detriment of Canada's taxpayers and skilled workforce. Restricted tendering reduces competition, increases costs, and unfairly restricts which companies and employees are allowed to work on these projects. In order to maximize value for taxpayer dollars on public infrastructure projects and ensure that all qualified Canadian companies and employees can work on and benefit from these projects, an open and fair tendering must be the process by which governments tender public projects.

BACKGROUND

Public infrastructure projects can be restricted in a number of ways. In Ontario, language in the Labour Relations Act allows municipalities and school boards to become certified "construction employers," which ties all of the municipalities' construction work to a particular union (or small group of unions) and its bound contractors. As a result, up to 70 percent of the industry is unable to compete for work on publicly owned and publicly funded projects. In 2012, approximately \$942 million worth of municipal construction work in Ontario was subject to restricted tendering.

Up until recently, Manitoba Hydro projects were subject to 'restricted Project Labour Agreements' or PLAs. These agreements are usually between the owner (MB Hydro) and a select group of unions to guarantee labour supply and labour peace at the cost of guaranteed wage rates and other conditions. However, this arrangement meant that all workers must pay dues to those select unions if they wanted to work on those projects, even if – with their existing employer – they were currently part of a different union or no union at all. Also, companies that wanted to work on those MB Hydro sites had to employ workers from those select unions.

BC is currently proposing a procurement process and labour model akin to the situation with MB Hydro, except the proposed PLA will likely apply to all of the nearly \$50 billion in planned future public infrastructure projects over the next three years.



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