



February 6, 2019

The Honourable Victor Fedeli  
Minister of Finance  
c/o Budget Secretariat  
Frost Building North, 3rd Floor  
95 Grosvenor Street  
Toronto, Ontario M7A 1Z1

Dear Minister Fedeli:

**RE: Residential and Civil Construction Alliance of Ontario's 2019 Pre-Budget Submission**

The Residential and Civil Construction Alliance of Ontario (RCCAO) is pleased to provide you with some of its key elements for consideration as you work to develop Ontario's 2019 Budget.

RCCAO is an alliance of key labour and management stakeholders derived from the residential and civil construction sectors. The RCCAO was created to address the major challenges affecting the construction industry. We work together with government and industry experts to offer realistic solutions to problems in the areas of infrastructure delivery, growth planning, regulatory reform and labour shortage.

A primary RCCAO focus since our inception has been the importance of investing in public infrastructure – from transit and waterworks to roads and bridges – and doing so smartly and efficiently for taxpayers and daily users of infrastructure. On topics such as reforming the municipal environmental assessment process and managing excess construction soils, we have identified ways to streamline processes and remove unnecessary, costly and time-consuming barriers to good construction projects.

We appreciate the opportunity to provide you with our feedback and look forward to continuing working with you on this and other important industry files.

Regards,

A handwritten signature in black ink, appearing to read 'Andy Manahan', is located below the 'Regards,' text.

Andy Manahan  
Executive Director

## **1. Ensure best value from capital expenditures on public infrastructure**

We were pleased to read the findings and recommendations of the EY line-by-line review, especially around better use of data and analytics to inform decisions, to confirm performance and to evaluate return-on-investment. We have been equally encouraged by your comments, and those of your colleagues, about looking seriously at the EY findings to transform and modernize government and the delivery of services.

### ***Recommendations***

***(1A) Implement a more business-like approach to the selection and delivery of infrastructure projects.***

***(1B) Adapt best practises employed by public-private partnership model for municipal projects to improve cost-effective infrastructure delivery.***

***(1C) Adopt evidence-informed, business-case approaches to infrastructure project selection, design, financing, construction, maintenance and operation would identify new opportunities to save taxpayers money and improve service to citizens.***

## **2. MCEAs should be integrated into municipal official plan reviews.**

Approval of municipal infrastructure projects such as roads, bridges, bike paths and other public works must go through a Planning Act process but often are subject to review under the Municipal Class Environmental Assessments (MCEA) process.

### ***Recommendations***

***(2A) Streamline approvals by consolidating public consultation requirements.***

Having two separate consultation processes, including appeal rights under the MCEA process (known as a Part II Order request or PIIOR) is duplicative and unnecessarily adds costs to many local projects. Some municipal projects can thus be subject to OMB/LPAT appeals as well as PIIORs.

There are also instances when the Municipal Class EA process exceeds the capital construction cost for infrastructure projects. For example, a box culvert style bridge in Ennis took two-and-a half years, with capital costs of \$489,000 with study costs coming in at \$494,000. Another box culvert style bridge project going from existing one-lane to a two-lane road in Erin came in under budget at less than \$600,000, but total study costs of \$1.1 million were borne by the municipality.

***(2B) We call on the Ministry of Environment, Conservation and Parks to extend the EBR process timeframe***

The Ministry of the Environment, Conservation and Parks (MECP) accepted an EBR application in 2017 by the Residential and Civil Construction Alliance of Ontario and the Municipal Engineers Association to

undertake a comprehensive review to improve the MCEA process. This review was to have been completed by the end of 2018 but recent correspondence from MECPs ADM indicates that the Ministry was unable to complete the review in a self-imposed 20-month period. RCCAO recommends that there be an extension of the EBR process.

### **3. Excess soils generated from projects in Ontario should be treated as a resource, not a waste.**

RCCAO's consultant estimated that close to 26 million m<sup>3</sup> of excess construction fill was generated in Ontario. To put this volume into perspective, this amount of soil would fill the Rogers Centre to the top of the roof 16 times.

A mindset seems to exist among people managing soil that it is easier (and less risky) to dispose of soil as a waste rather than to implement ways mechanisms to reuse or recycle it. This is reflected in research that shows that in 24 case studies of construction projects, more than 50 percent of the soil is disposed of in landfill. One way to ensure more soil is treated as a resource, is to put more onus on the source site or property owners (including municipalities) through more front-end soil reuse planning.

#### ***Recommendation***

***(3A) We recommend a multi-Ministry approach to MECPs implementation of the Best Management Practices Guide released in January 2014, utilizing a pragmatic, managed implementation plan that emphasizes public outreach, proper stakeholder training, pilot testing of critical elements and the creation of an interim excess soil governance entity to oversee and be accountable for the success of this needed program.***

In the recently released Made-in-Ontario Environment Plan, there is movement in the right direction regarding management of excess soils, including a recommendation for increasing the redevelopment and clean-up of contaminated lands in Ontario and making it easier and safer to reuse excess soil. Properly managing excess soils would result in significant cost savings, given that on average, handling and disposal of excess soil represents 14 percent of the total project value. For the 24 case study projects, this represents total costs of \$46 million. RCCAO and the Greater Toronto Sewer and Watermain Contractors Association released a three-part video series in 2018 on the advantages of implementing best practices for managing construction soil.