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Bundling presents barrier to smaller contractors: Construction and Design Alliance of Ontario

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An alliance of construction stakeholders will sit down with Infrastructure Ontario to discuss the challenges and opportunities the bundling of projects presents to construction.

“Among the concerns we have with the bundling of big projects is that it presents issues for bonding with some contractors,” said Joe Accardi, chair of the Construction and Design Alliance of Ontario (CDAO).

“It may discourage some smaller firms from bidding certain jobs because they cannot get the bonding. Also, the bundling of projects may prevent certain contractors from competing for them since they are getting bundled.”

The CDAO has been invited by Infrastructure Ontario to better understand the industry’s perspectives on project bundling which is part of the province’s recently unveiled long-term infrastructure plan. The meeting will take place on August 17.

The province’s 10-year plan begins with a \$35-billion, three year, financial commitment which stems from this year’s provincial budget. The plan focuses on economic growth, improved asset management, an expanded role for Infrastructure Ontario and identified preconditions for capital ministries to come forward and ask for new capital.

Bob Chiarelli, Ontario’s infrastructure minister, explained during the plan’s release, that the long term strategy is not about a long list of projects, it is about the “how” Ontario will meet its infrastructure needs and not the “what.” The minister did point to the Liberals recent six-year average of \$10 billion a year for infrastructure as a possible yearly investment benchmark after the plan’s first three years of funding.

In its invitation to CDAO Infrastructure Ontario said the discussion will be “an important catalyst for developing a better understanding across government about the challenges that bundling projects presents to the industry.” The CDAO contacted Ontario’s infrastructure ministry a month ago about having a formal look at the plan and discussing project bundling in particular.

“We do see the government’s point of view that bundling can be cost-effective and we understand that,” added Accardi. “However, bundling may be fine for a lot of the projects, but we have to be sensitive about some of the smaller projects.”

The Ontario General Contractors Association (OGCA) and the Ontario Road Builders’ Association (ORBA) also expressed concerns about project bundling when the province’s 10-year plan was announced.

Chiarelli has stressed the importance of partnering with the construction industry. He noted during the 10-year plan announcement that the province has committed to meet with the construction industry at least four times a year.

The CDAO represents the Association of Registered Interior Designers of Ontario, Consulting Engineers of

Ontario, Mechanical Contractors Association of Ontario, Ontario Association of Architects, Ontario Sewer and Watermain Construction Association, Ontario Society of Professional Engineers, the **Residential and Civil Construction Alliance of Ontario**, RESCON, OGCA and ORBA.