

Loophole expected to save city millions

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The city has found a legal loophole that will save millions of dollars by allowing it to hire contractors who aren't affiliated with the carpenters union.

Since 2005, only contractors who are signatory to the carpenters' union have been allowed to bid on city construction jobs. City staff have argued this deal costs the city \$4 million to \$10 million each year.

But after receiving new legal advice, the city voted Thursday to open up all industrial and commercial projects to all general contractors. It's a major victory for the city in its ongoing battle with the carpenters union.

"This is a good day for the taxpayers of the city of Hamilton," said Councillor Lloyd Ferguson, who spent 32 years in the construction industry before becoming a city councillor. "This will save taxpayers millions."

City hall insiders say the outside lawyer originally hired to advise council gave a different opinion that led to the arrangement that has limited who can bid on city projects.

Lora Fontana, the director of labour relations for the city, said the new interpretation of the agreement with the carpenters surfaced because the city hired another lawyer for its collective bargaining process.

"Now we're advised that our obligations aren't as restrictive as we once thought," she said. "It's expected to level the playing field amongst firms that are bidding. We're hoping, as a result, it will be a more competitive process."

Matthew Creary, business manager for the United Brotherhood of Carpenters and Joiners of America Local 18, said if the city is "doing what's within their legal rights, I have no problem with it."

The city is also negotiating with the carpenters' union to open up the bidding process on its heavy engineering projects -- such as overpass bridges -- and residential areas.

Those discussions have reached an impasse and the two sides are going to conciliation. That's a mediation process, the goal of which is to try and reconcile the two sides.

The deal with the carpenters' union started when two carpenters who had been doing work for the city applied to the Ontario Labour Board for certification that locked up all city projects involving even a small amount of carpentry work.

The city, which was unaware of the move because of a missed fax, tried unsuccessfully to have the labour board reconsider.

Since then, only companies that employ carpenters from the union have been able to bid on Hamilton contracts.

The issue is especially pertinent because the city is beginning to tender contracts for \$800 million in upgrades to the Woodward Avenue Water and Wastewater Treatment plant expected over the next five years.

Earlier this year, the city had to disqualify four out of seven bids for a \$55 million-dollar construction contract because the bidders weren't affiliated with the carpenters' union.

David McDonald, president of the Merit OpenShop Contractors Association, said he's been lobbying the city for years to encourage the city to fight its deal with the carpenters' union.

"We're very happy the city realizes this is in the best interest of everybody, and we're certain they'll get much better pricing and be a lot fairer."

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