



February 24, 2014

City of Hamilton
71 Main Street West
Hamilton, ON. L8P 4Y5

**Re: City of Hamilton Submission to the Ontario Legislature
Bill 69 – Prompt Payment Act**

We are writing with respect to City staff report PW14018/LS14004 that was presented to the General Issues Committee (GIC) on February 19, 2014. This report recommends that the City send a response to the Ontario Legislature regarding Bill 69 – Prompt Payment Act. We wish to inform Council of our support towards the concerns that have been raised by the City with respect to this proposed legislation in regards to the negative impacts that will be experienced by municipalities in Ontario. Moreover, we wish to inform Council that these same negative impacts will apply to the private sector and for all construction contracts in the Province.

The Hamilton-Halton Home Builders' Association (HHHBA) and the Ontario Home Builders' Association (OHBA) have formally expressed our concerns with this proposed legislation to the Legislature. These concerns are based on the significant impacts that would result for construction contractual agreements across the Province, both in the public sector and private sector. Our predominant issue is that the legislation would restrict the flexibility for parties to these contractual agreements to negotiate specific payment terms, and considerably increase the administration required in managing these contracts. It is very important to understand that this legislation would impact all purchasers of construction services in the same manner. In other words, municipalities and the private sector will be equally adversely impacted.

Another consideration is the potential for indirect costs to result from the passing of this legislation. The greater administrative requirements and obligations on parties to construction contracts will likely result in increases in many of the components of these contracts. Price increases will affect all purchasers of construction services – public and private sector clients.

Therefore, HHHBA requests that the City of Hamilton recognize the widespread consequences of the proposed purchasers of construction services and include the negative impact to both the public and private sectors in its report to the Province. We welcome the opportunity to discuss this matter further and explore opportunities to express our mutual concerns to the Ontario Legislature.

Regards,

A handwritten signature in black ink, appearing to read "Nando DeCaria", written over a light blue horizontal line.

Nando DeCaria
President