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CCIL Urges Ontario to Restore Independent Testing and Inspection of all Highway Construction

Initiative Could Save Taxpayers \$2 Billion Over 10 Years

OTTAWA (January 10, 2017) – The Canadian Council of Independent Laboratories (CCIL) is urging the Ontario government to restore and strengthen independent oversight of all highway construction projects in the province. CCIL estimates that this initiative would reduce provincial expenditures by hundreds of millions of dollars – and potentially could save \$2 billion or more – over the next 10 years.

CCIL will be reiterating these points in pre-budget consultations being held by the province later today in Ottawa.

The recent Auditor General of Ontario's report found that new and rehabilitated roads throughout the province are requiring repairs far sooner than expected. Roads that should last 15 years are showing cracks after just one to three years, and these premature failures are costing taxpayers millions of dollars in additional expenditures.

The report linked these problems to the government's increasing use of performance-based contracts. Since these procurement arrangements (first introduced in 2010) require contractors to warrant that their work will meet specifications over defined periods of time, the government felt that independent testing and inspections were largely unnecessary.

The result? The report concluded that contractors are now "essentially monitoring themselves" and this has created the potential for shortcuts and abuses.

While the full extent of the problem is unknown because of insufficient documentation at MTO, the Auditor General's Office was able to investigate a small sample. Its review of five highway projects found that the ministry paid \$23 million for repairs after one-to-three years, on top of the \$143 million to initially pave these highway sections.

In other words, the repairs – which should have been unnecessary – ended up costing taxpayers on average an additional 16% over and above the original price. The repair costs on three of the projects were closer to an additional 50%.

"And the problems stemming from the lack of a rigorous and independent quality assurance process are not limited to pavement cracking," notes Stephen Walker, a member of the CCIL Board of Directors.

A structural failure on the new Nipigon River Bridge a year ago, for example, occurred after an engineer hired by the contractor certified that the construction was up to standards. The bridge cost \$106 million. The repairs will inflate the final price by an estimated \$8 million to \$12 million, or roughly 10%.

Over the next decade, the Ontario government plans to spend \$18 billion rehabilitating and building new highways and bridges. If this major infrastructure investment experiences similar rates of premature failure, the potential risk to the taxpayer is \$2 billion or more of unbudgeted and unnecessary expenditures.

"The solution is simple. The province must put in place the controls and processes that will restore independent oversight of construction projects," says Walker.

About CCIL

CCIL represents the private, independently-owned laboratories in Canada. Operating more than 330 facilities across the country, its members carry out a broad array of testing services on construction materials, manufactured goods, minerals, oil and gas, crops, food, air, water, soil and more.

Many of these laboratories provide testing services for asphalt, aggregates and concrete. In addition, they provide independent inspection services in fabrication shops and on construction sites, and material consultation as required. And because members are independent, they have no vested interest in the outcome of their testing. They are able to conduct investigations and render reports objectively and without bias.

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Go to www.ccil.com for further information about the Canadian Council of Independent Laboratories.

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