

# Memorandum

Date: May 24, 2022

To: Members of Council

From: Erin Britnell, Director, Corporate Strategy and Innovation

Subject: Impacts on Strike Action on Capital Projects

The purpose of this memo is to provide an update regarding the recent strike action by Local 793 and the carpenters union, and the impacts on ongoing capital projects and ability to meet budgets and timelines.

## Background

The main five unions that would affect active construction are carpenters, masons, ironworkers, labourers, operating engineers and they are all up for contract negotiation this spring. Local 793 represents skilled equipment operators utilized to complete works such as site grading, foundation work, erecting steel, etc. Carpenters represent skilled trades utilized for finish carpentry work such as millwork, panel installation as well as rough carpentry work such as framing and drywall. Both have initiated strike action and are not actively working. Local 793 has notified the Town that they have reached a tentative agreement, with a vote to take place on Friday, May 20<sup>th</sup>. The labourers have been working in good faith until May 20<sup>th</sup>.

## Individual Project Impacts

The following is a list of active capital projects and the potential impact of this strike action, if the agreement is not accepted on May 20<sup>th</sup> or the carpenters continue in a strike position.

### *Fire Station Renovations*

The Town is in the process of completing large renovations to Fire Stations 301, 306 and 308. Currently the greatest risk is to the schedule at Station 306, which is in the process of excavating, forming and pouring foundations. The general contractor is currently managing with their own staff to keep progress moving; however, progress may be slower than expected. There are no expected cost increases as these projects have already a Guaranteed Maximum Price in place.

### *Rotary Place Expansion*

Similar to the Fire Station Renovations, a Guaranteed Maximum Price is already in place for this project so there are no expected cost impacts. There is potential for delays to the schedule as a result of strike action. The general contractor is currently managing with their own staff to keep progress moving forward.

#### *CECC Expansion*

Construction is progressing on schedule, however if the strikes were to continue into June there may be potential impacts to the schedule. This project has reached a Guaranteed Maximum Price so there should be no impact to the overall budget.

#### *Humber River Centre*

Interior demolition is underway. The general contractor is managing with their own staff and do not expect any delays to the current schedule unless the strike continues into August.

#### *Yard 2 Redevelopment, OPP Ancillary Building*

Both projects are currently in the design phase, and are not scheduled to begin construction until summer, therefore the schedule is not impacted at this time by the strike. They however may be impacted by increased labour costs as a result of contract settlements. Further updates to Council will be brought forward if there are cost impacts prior to the Guarantee Maximum Price being accepted.

#### *Linear Capital Projects*

There is no anticipated impact to the schedule of any linear capital projects, such as roads or bridge construction currently. Engineering staff will be providing Council with an update on the results of recent tenders that will include any impacts to cost as a result of strike action and/or settlements.

#### Next Steps

Staff will continue to work with the general contractors on these capital projects to monitor impacts and mitigate them wherever possible to keep projects on track and within budget. Staff will provide updates on any further implications as part of future Council updates.