Ministry of Transportation

Provincial Highways Management Division
Contract Management and Operations Branch
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Ministère des Transports

Division de la gestion des routes provinciales
Direction de la gestion des contrats et des opérations
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Ontario

January 15, 2016

Mr. R. Bruce Reynolds & Ms. Sharon Vogel
Borden Ladner Gervais LLP
Scotia Plaza, 40 King St. West
Toronto, Ontario
M5H 3Y4

Dear: Mr. Reynolds and Ms. Vogel:

I want to thank you for meeting with us on November 25, 2015 to listen to our perspective on the Construction Lien Act and Prompt Payment legislation. We appreciated the open dialogue and willingness on your part to understand the issues we raised and our concerns about potential pending changes from the perspective of a public owner.

At that meeting, I committed to investigating the time it takes the ministry to pay a contractor once an invoice has been reconciled by the contract administrator. We have looked at the last three years of data related to our major capital program and determined that contractors have been paid within 30 days, approximately 86% of the time. The payment average increases to 97% for a timeline between 31 and 60 days.

Following our meeting we further discussed internally your comments regarding the joint accounts that exist in British Columbia. After looking into this further, we discovered that in British Columbia, government and public bodies are exempt from requirements for joint accounts. We add this example to the ones that we already mentioned as another reason for not implementing such a regime in Ontario.

Thank you again for meeting with us and we look forward to commenting on your recommendations.

Sincerely,

Paul Lecoarer, P.Eng.
Director