

St. Lawrence Cement New Prequalification Process

The OGCA has received the attached information on a fee for prequalification process being introduced by St. Lawrence Cement.

The OGCA strongly opposes such attempts to charge contractors for the privilege of bidding work. Other owners have tried this and thanks to a majority of OGCA members refusing to participate, the policy was revised.

All members should be concerned by this continuing trend by industry outsiders like Browz to make money off our hard work.

Are owners prepared to pay for our prequalification submissions or our bids?

Why should we pay for the privilege of bidding their work? This cost is theirs, not ours. St. Lawrence is hosting several information sessions on this process – we urge those of you who bid this work to attend and express your feelings about this “users” fee which is unfair and unwarranted.

We have sent St. Lawrence Cement the attached letter on this subject.

Clive Thurston, President
Suite 703, 6299 Airport Road,
Mississauga, ON L4V 3N1

TEL: (905)671-3969
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Subject: Implementation of St. Lawrence Cement's – New Prequalification Processes

Health and safety is a core value of St. Lawrence Cement. Our goal of “zero harm to people” extends to our employees as well as our contractors, suppliers and the public. We strongly believe that all incidents can be prevented and we wish to partner with contractors with the same commitment to health and safety. This commitment will be confirmed at various stages – starting with prequalification of each contractor.

To facilitate prequalification of contractors, St. Lawrence Cement has engaged the services of Browz - an independent third party. Browz will collect, verify and track contractor responses and documents on behalf of St. Lawrence Cement. **Contractors can register with Browz starting September 1, 2008.** To participate, each contractor must complete a supplier registration agreement and pay an annual subscription fee of up to \$595 to Browz. Contractors should submit a completed registration form and supply all required documents no later than November 1, 2008.

Enclosed is a Registration Form with instructions and additional information about this program and its requirements. For guidance, please contact Browz (877) 716-9885 [from Canada] or (888) 276-9952 [from the US] to sign up or speak to a customer service representative.

Additionally, we have arranged a series of *Town Hall* meetings with contractors to discuss the new prequalification process and answer questions. You are encouraged to attend one of the *Town Hall* meetings noted on the following page.

We thank you for your cooperation and look forward to working with you in the future.

Regards,



Lyndon Zielke
Vice President
Chief Procurement Officer



Dan Lyons
Corporate Director
Occupational Health & Safety

TOWN HALL MEETING INVITATION

Dear Valued Contractor,

To better understand SLC's upcoming alignment with BROWZ LLC and our contractor control program, we're inviting all of our contractors to meet with SLC's procurement and Health & Safety department. We will be holding 5 meetings during the second week of September.

The purpose of this meeting is to address any and all questions you the contractor might have. If you are unable to attend, please feel free to contact BROWZ at 1-877-716-9885 or your SLC contact.

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|-----------|--|--|--|--|---------------------------------------|
| Date: | 8-Sep-08 | 8-Sep-08 | 9-Sep-08 | 10-Sep-08 | 12-Sep-08 |
| Time: | 9:00AM | 1:00PM | 9:00AM | 9:00AM | 9:00AM |
| Venue: | Hilton Garden Inn | Hilton Garden Inn | Best Western | Delta Kitchener | Courtyard Marriot |
| Location: | Mississauga | Mississauga | Oshawa | Kitchener | Hamilton |
| Address: | 100 Traders Blvd, Toronto, ON, L4Z 2H7 | 100 Traders Blvd, Toronto, ON, L4Z 2H7 | 559 Bloor Street W, Oshawa, Ontario, L1J 5Y6, CA | 105 King St East. Kitchener, ON, N2G 2K8 | 1224 Upper James Street, Hamilton, ON |

Please respond to myself by Friday, August 29, 2008 if you are attending.

Thank-you,

Marco Buffone

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Mr. Lyndon Zielke
Vice President
Chief Procurement Officer
St. Lawrence Cement
2300 Steeles Avenue West, 4th floor
Toronto, Ontario L4K 5X6

Reference: Implementation of St. Lawrence Cement's New Prequalification Processes

Dear Mr. Zielke:

The OGCA is a believer in a fair, open, transparent and reasonable bidding process. We have championed numerous initiatives to ensure all parties – owners, contractors and other stakeholders – work together in a balanced system. In safety, no organization is more dedicated to promoting a safe workplace than the OGCA. Proof of that is provided by the independent review conducted by CSAO that shows that for the past sixteen years, OGCA members outperform all other contractors in the 723 rate group. In fact, we have 30 – 40% fewer LTIs than the balance of our rate group.

We applaud St. Lawrence's efforts to ensure "zero harm to people" and to make it part of their prequalification process. We believe if St. Lawrence needs to hire an outside agency to ensure this works, well then, that is practical.

What we do not agree with and oppose strongly is paying for the privilege to prequalify or tender your work.

Other owners have tried this with firms similar to Browz. In every case, contractors have united with subtrades to oppose this and in many cases, refused to submit. As we stated, we believe in a fair system. Owners have costs as do contractors. We spend thousands preparing prequalifications, presentations and the final bids that are our risk, our cost. It is the owner's risk / cost to manage that process.

This is not a cost for which we should have to pay. We respectfully ask you to reconsider the policy of charging a registration fee. Past experience has shown that generals and subcontractors will avoid such a process. This will severely reduce your ability to attract competitive bids.

We look forward to your response and are prepared to meet with you to discuss this.

Yours very truly,

ONTARIO GENERAL CONTRACTORS ASSOCIATION



Clive Thurston, CBCO, GSC
President

cc: Dean Drevniok, Chairman
Dan Lyons – Corporate Director, Occupational Health & Safety, St. Lawrence Cement
Ref: St Lawrence Cement Prequal