



105B Walker Street, Truro, NS, B2N 4B1

April 16, 2024

Dan Troke
Chief Administrative Officer
Municipality of Colchester
1 Church St., Truro, NS
B2N 3Z5

Dear Dan Troke,

We are writing to express concern regarding a decision of Council at its Committee meeting held on Jan. 11, 2024. Specifically, Council voting in favor of maintaining the requirement of bonding for construction tenders procured by the Municipality.

The Truro and Colchester Chamber of Commerce works tirelessly to encourage all residents to support our local businesses. There are more than 1,600 local businesses based in this county which employ tens of thousands of people.

It is vitally important for consumers and the leadership of our municipalities, to adopt to a "local-first" mentality to support the overall health of their communities. Small businesses are the backbone of our community. Thriving communities do not exist without thriving businesses.

For every dollar spent at a local, independently owned business, 60 to 70 per cent is returned to the local economy by way of payroll, commercial taxes, sponsorships, donations to local charities, etc. to support economic growth.

Council's position to maintain an arbitrary policy in the Municipality of the County of Colchester requiring bonding requirements for construction tenders contravenes efforts of supporting local business and alienates local businesses who offer good paying, reliable work to our populations.

The requirement for bonding poses an unnecessary standard that will, and has, excluded local bidders. There is a cost, effort to become a bonded business which is a decision each local contractor must weigh. We direct council's attention to The Nova Scotia Department of Transportation and Public Works document "Nova Scotia Transportation and Public Works Standard Specification for Highway Construction and Maintenance" which provides the tenderer an alternate option for contract security as clearly outline in the Agreement covered in Division 1, Section 3, Clause 13.0.

This flexibility allows the issuing agency to manage their risk while providing bid conditions that allow for the greatest competition for services. Posing the conditions approved by Council is limiting prospective bidders and, as evidence in the Council's January meeting minutes, shows that a decision was made to exclude a local company as the lowest bidder due to this policy which resulted in increased project costs whilst also



delivering taxpayer dollars to companies outside the region. This is further limiting the opportunity for those dollars to be reinvested locally and/or given to support community assets as many local companies have demonstrated in the past.

The Minutes from the Jan. 11, 2024 meeting also describe a detailed debate about this policy, however, it does not mention the jobs, or families impacted by this decision which must also be considered in setting policies that impact our businesses.

We urge Council to reconsider its position and adopt the policy, previously mentioned in this letter that is addressed in the Nova Scotia Transportation and Public Works Standard Specification for Highway Construction and Maintenance guide, in its tendering processes.

Very sincerely yours,

Eric Tanton
President
Truro & Colchester Chamber of Commerce