

February 7, 2013

Concrete forming price-fixing shock if true: RESCON

KELLY LAPOINTE

staff writer

**The allegations of price-fixing by some Toronto-area residential low rise concrete forming companies is not the symptom of a larger problem, says the president of RESCON.**

**“There’s been no suggestion of anything beyond these allegations in low rise forming. In any other sector of the industry, there has not even been a hint or a whiff (of price-fixing),” said Richard Lyall, president of the Residential Construction Council of Central Ontario (RESCON).**

Canada’s Competition Bureau is investigating allegations of price-fixing by certain Toronto-area companies and the Residential Low Rise Forming Association of Metropolitan Toronto (LRFA) contrary to section 45 of the Competition Act stretching back to as early as 1997 and continuing to March 11, 2010.

The Bureau’s investigation is ongoing and the allegations have not been proven in court.

The Bureau states, in a court document obtained by the Daily Commercial News, that the accused colluded to fix the price of concrete forming, resulting in reduced competition, through an agreement to not compete with each other for contracts.

“The available facts provide reasonable grounds to believe that the LRFA, whose membership consists of the majority of large contractors who compete with one another in Toronto and vicinity, and the other alleged co-conspirators, and other persons known and unknown, agreed to fix prices of concrete forming services and to allocate builders,” states the March 2012 affidavit by a Bureau investigator.

The document was filed in an effort to gain a search warrant to search the premises of Camp Forming Ltd. in Vaughan, Ont., Mur-wall Forming Inc. of Concord, Ont., in addition to LRFA’s offices in Woodbridge.

“The available facts provide reasonable grounds to believe that the LRFA board members that abided by the alleged agreements have significant market share in the concrete forming market in Toronto and vicinity,” reads the affidavit.

The investigation was triggered by a June 2010 complaint alleging abuse of dominance and collusion by the LRFA.

**Lyall said there was never a complaint brought to RESCON, the Ontario Home Builders Association or the Building Industry and Land Development Association (BILD) before a June 2012 article in the Toronto Sun.**

There have been reports that the alleged price-fixing could have increased the cost of a new home bought in the Greater Toronto Area after 1997 anywhere from \$1,500 to \$4,000.

**“We’ve got thousands of contractors and builders, it’s extremely competitive,” said Lyall.**

**“We’re way off our highs in terms of production, so it’s a very competitive, very cut throat business and builders...I’d be shocked if anything like this were happening, price-fixing, because builders just don’t pass on \$1,500 to \$4,000 increase to homeowners, it’s almost a silly proposition.”**

In Toronto and vicinity, all major builders require that the contractors employ unionized workers. The LRFA is the accredited employer organization that bargains with Labourers International Union of North America (LIUNA) Local 183 on behalf of the contractors. Local 183 is the bargaining agent for the employees of contractors involved in concrete forming.