



CITY COUNCILLOR

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May 14, 2026

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Implementing a Municipal Fuel Cost Index

Dear Ms. Chakarova,

Thank you for your letter of April 6, 2026, and for TARBA's ongoing advocacy on behalf of road builders across the Greater Toronto Area. The concerns you raise regarding fuel price volatility and its impact on fixed-price infrastructure contracts are real and significant, particularly given the scale of capital work currently underway across Toronto.

Following your letter, I raised this issue directly with City staff and asked for a clear update on what options are available to better account for fuel price fluctuations within City construction contracts. I am encouraged that work is now underway to develop an approach using the MTO Fuel Price Index for existing contracts and, where appropriate, future procurements.

That work includes evaluating how fuel costs impacts differ across both linear and vertical construction projects so that any solution is practical, fair, and responsive to current market conditions.

This is an important issue for the construction sector and for the City's ability to deliver infrastructure projects reliably and competitively. I will continue working with staff as this reviews advances and will be encouraging timely progress on implementation options.

Thank you again for bringing these concerns forward and for the constructive recommendations TARBA has provided throughout this discussion.

Sincerely,

Councillor Shelley Carroll
Ward 17 – Don Valley North