



Social Procurement in Construction Case Studies

January 18, 2024

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Presenter Notes
2024-01-22 18:25:48

I respectfully acknowledge that I live, work and learn on the unceded, traditional and ancestral Skwxwú7mesh (Skwxwú7mesh) Ɂwám̓xw (Squamish) territory. I endeavour to make this more than just words and invite you to consider what it means to live on the traditional lands in your community, and what efforts we can all take to repair and improve our relations with Indigenous people locally and globally.

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About Buy Social Canada



Social Procurement Leaders



Tori Williamson
Chief Operating Officer

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About buy Social Canada
We are a social enterprise that believes that procurement is more than an economic transaction, it contributes to community social and economic goals. We see opportunities to buy and sell and with impact at all levels in the marketplace. Through social procurement advocacy, education and consulting, we are taking back control from the invisible hand of capitalism. As we create a social value marketplace, we are unleashing the transformative power of the market. Share personal journey of why social procurement

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Agenda

- 1** Intro to Social Procurement and Community Benefits Agreements
- 2** Case Studies
- 3** Implementation Process
- 4** Resources and Next Steps

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Introduction to Social Procurement and Community Benefit Agreements

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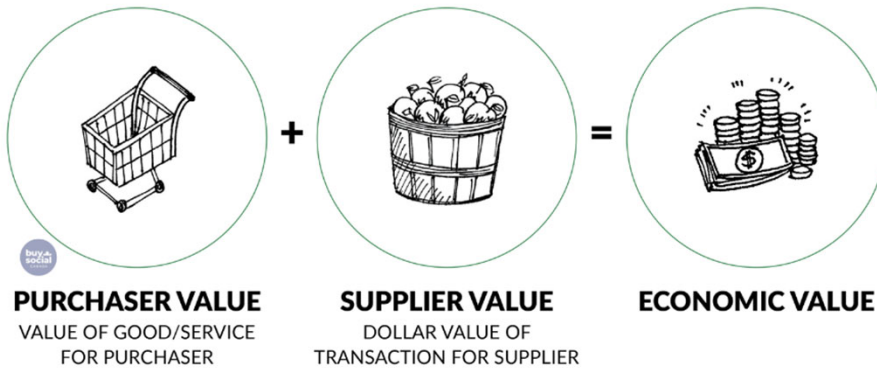
Our communities face multiple complex challenges

- Social
- Economic
- Environmental
- Employment challenges
- Skills gaps
- Historic and systemic racism
- Local economic disruption
- Youth disengagement
- Social isolation



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What is Procurement?



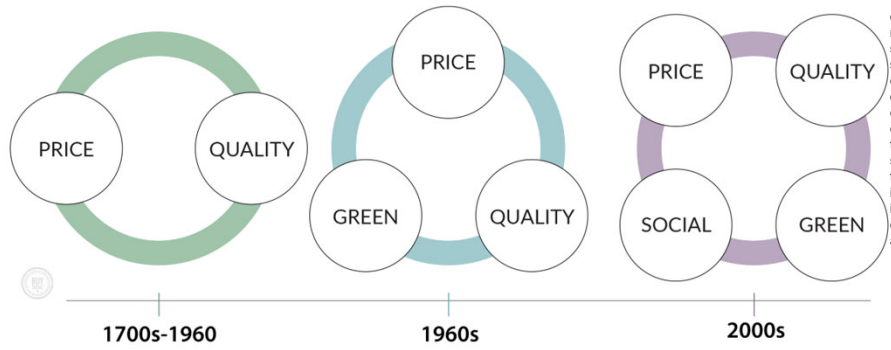
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Social procurement is the recognition of the potential impact of procurement

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Over the several hundred years, we have shifted towards a philosophy that tells us that minimizing price and maximizing the quality will create the best outcome for everyone in society. With purchasers so focused on low prices, suppliers have had to lower production costs to stay competitive within the market. This is often done by disregarding the potential negative environmental and social impacts of the goods and services produced and consumed. As we went through on the first slide, this model has caused and continued to complex many of the challenges that face our communities. So, social procurement is asking us to consider price, quality, and impact – and align value that impact with what our communities would like to achieve.



Social Procurement adds Social Value

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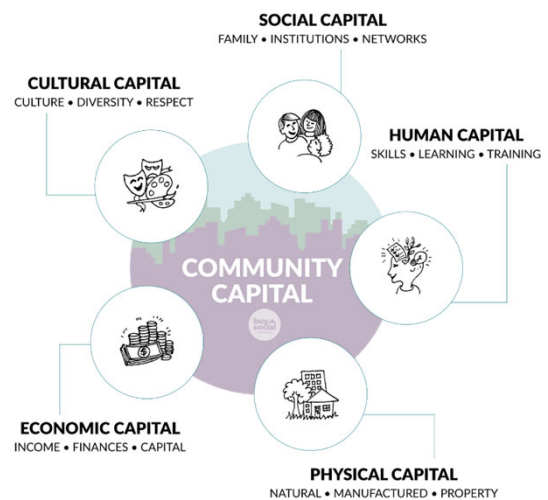
Social Procurement Seeks Best Value

- Every purchase has an economic, environmental, cultural and social impact.
- When we focus on 'best value for money' procurement is much more than a financial transaction;
- Procurement becomes a tool for building healthy communities.

*Photo: EcoEquitable, Certified Social Enterprise

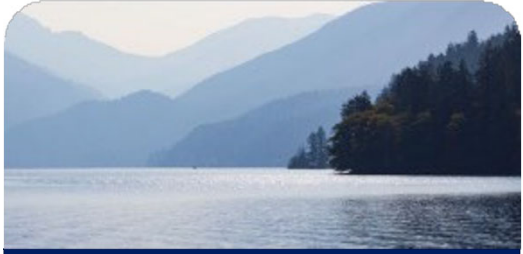
Best Value Creates Community Capital

Community Transformation, not just Economic Transactions



Emerging Across Canada

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Social procurement has been emerging across Canada, we see it at the federal level in policy and infrastructure, as well as at the municipal level across the country.

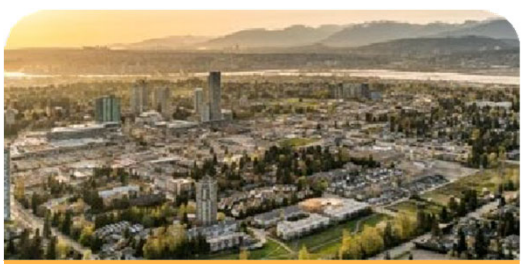


- Federal Government**
- Policy and Procedures for Goods & Services - PSPC
 - Community Employment Benefit Policy - Infrastructure Canada



- Municipalities**
- Toronto, Brampton, Edmonton, Wood Buffalo, Vancouver, Surrey, Victoria, Tofino, Campbell River, Comox, Peterborough, Winnipeg, Calgary

Emerging Across Canada



- Institutions**
- BC Housing, Ottawa Housing, York University, Simon Fraser University, Tourism Vancouver



- Corporations**
- Chandos Construction, SAP




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Community Benefit Agreements (CBA)

A Community Benefit Agreement (CBA) is a legal agreement or contractual requirement on construction, infrastructure and development projects for specific social value outcomes like hiring, training, apprenticeships and procurement that ensures projects enhance social, cultural, environmental, and economic opportunities for and with community.

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A Community Benefit Agreement (CBA) is a legal agreement or contractual requirement on construction, infrastructure and development projects for specific social value outcomes. This could be related to looking at specific requirements around roles or working with the trades to build out certain apprenticeships and training for people from equity deserving groups. It could also include supporting diverse and socially inclusive suppliers, small business, or other community development opportunities. In this sense, community benefit agreements have 4 opportunities areas that ensure projects enhance social, cultural, environmental and economic opportunities for and with the community.




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Examples of Community Benefit Agreements (CBA)

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Another example is the City of Toronto, in 2019 they adopted the community benefits framework.

- procurement or real estate transactions to create inclusive and equitable economic opportunities through community benefits initiatives
- They are applying an advisory model, so that they can get feedback from multiple stakeholders
- They also recognized a need for support, so they are working on implementations tools and mechanisms to ensure success on projects. Metrolinx has launched their community benefits and supports program which focuses on 4 pillars:
 - employment opportunities
 - local business supports
 - community improvement supports and
 - public realm improvements.

Finally, the City of Vancouver has implemented a Community Benefit Agreement Policy. The policy has mandatory and voluntary opportunities, the mandatory says that any development over 45,000 sq metres that's going through rezoning must enter into a mandatory CBA, there is a voluntary aspect however all developers are encouraged to sign a CBA regardless of if they meet this threshold. The policy even provides details on target outcomes around:

- **Infrastructure Canada Community Employment Benefits**
- **City of Toronto Community Benefit Framework**
- **Ontario Metrolinx transit projects**
- **City of Vancouver Community Benefit Agreement Policy**

What is possible?

Economic impact of local suppliers

The economic multiplier effect

For every **\$100** spent with a "local" independent office supply business, **\$63** is reinvested locally

For every **\$100** spent with an "MNC" (big box), only **\$14** is reinvested locally

Source: 2019 LOCO BC Study; 'The Economic Impact of Local Businesses'

What is possible?

Construction and Infrastructure projects

On a \$1M contract local suppliers create **3.6 jobs** compared to **1.8-2.0 jobs** with multi-national corporations

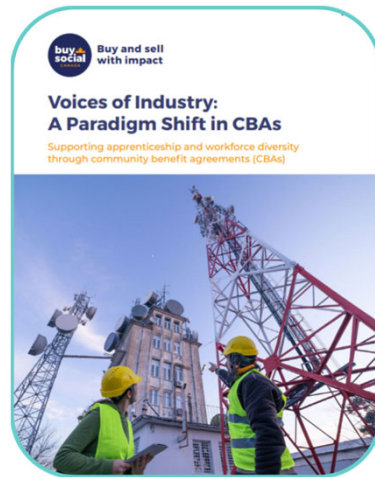
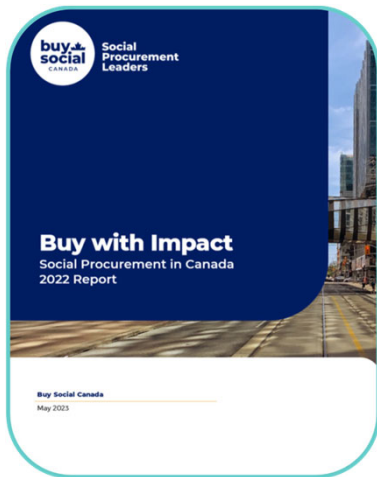
Source: Vancouver Island Construction Association paper; "Facts or Fiction?"

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A Shift in Experience & Perceptions of CBAs

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Our Buy with Impact Report, which surveyed our consulting clients and Social Purchasing Partners about where they are on their social procurement journeys, lessons learned, and implementation progress to date. the Voices of Industry: A paradigm shift in CBAs report, which speaks to many of the changing industry perspectives on Community Benefit Agreements (CBAs). We believe that maybe even 5 years ago, there was more of a culture of what is a CBA were not doing this, the research is really showing this shift of actually CBAs are maybe not that bad, we're facing skill shortage and supply chain issues and so theres mutual benefit to be had here.



Available at www.buysocialcanada.com

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Key Findings

- An evolution of perspectives across sectors
- A potential solution to address labour market pressures
- Nuanced definitions of and experience of CBAs
- The research and experience gap
- Setting goals appropriate to supply and demand
- Communication, co-creation and collaboration

Key Findings

Communication, co-creation and collaboration

- Forecasts/projections of project labour and procurement needs and local capacity
- Co-creation of a roadmap for capacity building
- Co-creation of goals based on community needs and capacity
- Utilizing partnerships and networks e.g. Community Benefits Networks
- Clear monitoring and reporting processes

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This request we need to be collaborative and all be part of conversation in the design, tools and framework into practice.



Case Studies

Case Study Vancouver CBA Policy

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2018 policy


The Vancouver CBA policy activates when new development through rezoning is sized 45,000 m2 or larger

Local and equity employment

- 10% of project work for identified as an equity- deserving group and residing locally.

Local and social purchasing

- 10% local procurement
- 10% social procurement




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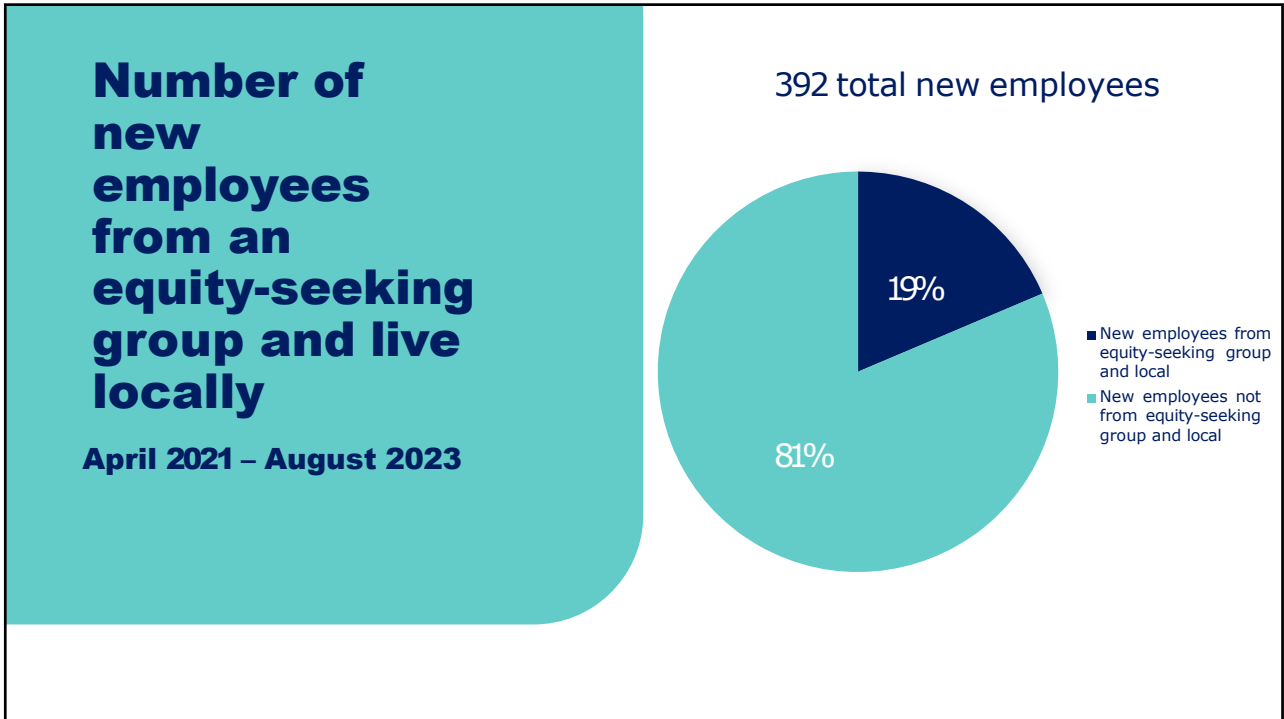
The New St. Paul's Hospital (NSPH) \$2.174 billion project broke ground in spring 2021

Buy Social Canada is contracted by PCL Constructors Westcoast Inc. as their Independent Third-Party Monitor on the New St. Paul's Hospital Project for Phase 1a. Deliver team orientation and training. Support project owner, developer, general contractor and key subcontractors Liaise with key stakeholders

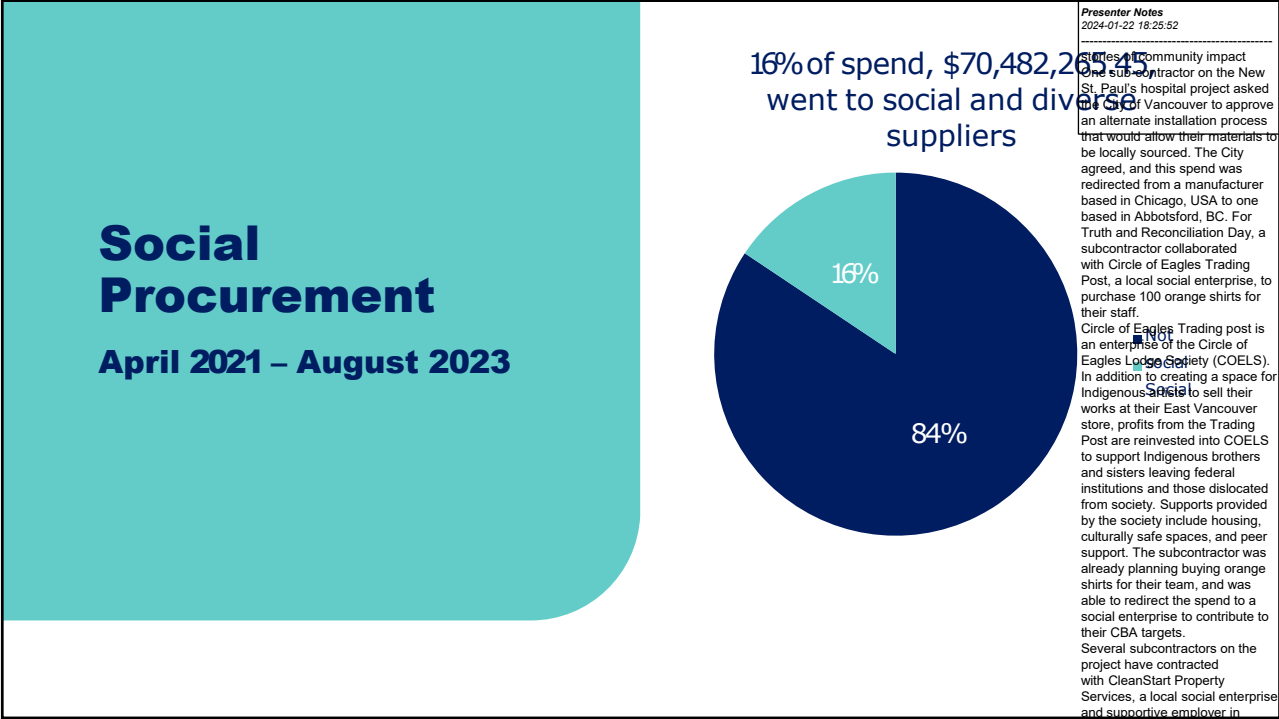
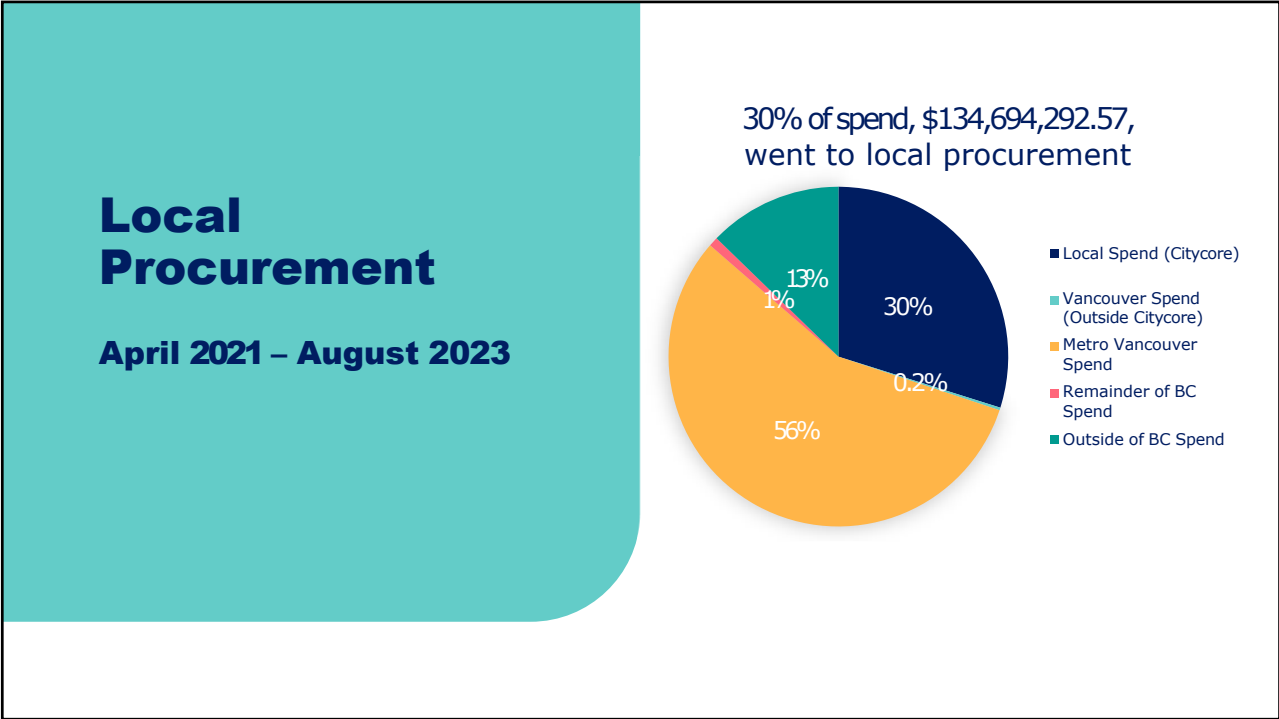
Attend a Project Specific Working Group or similar meeting and present monthly reports Support the development and use of key tools to gather data and report on CBA targets Facilitate connections with employment agencies, suppliers and other community organizations Support with annual reporting



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EMPLOYEE SPOTLIGHT!



"It is thanks to EMBERS and BladeRunners that I now work full-time for PCL Construction and am able to go to school as a carpenter's apprentice. "

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EMBERS, t. EMBERS has provided day labour and staffing solutions for PCL since July 2021. Some staff were originally contracted on site as security guards or gatekeepers. the story of Aurora, who started with EMBERS at 18 years old. Doug says she "was recently directly hired onto the PCL team as an apprentice carpenter. This was a few months ago and she is currently doing her theoretical as an apprentice carpenter at BCIT. She said she is super happy and looking forward to a long career in the industry with PCL." Doug also shared Joe's story. He started as a gatekeeper working for PCL, and Site Superintendent Paul Devrendt shared with Doug that "Joe was so amazing... always going out of his way to go the extra mile to help out wherever he could and do anything at all he could to help with never having to be asked." Although Joe was 65 years of age, Paul said, "we saw in Joe what is important to PCL: a great worker and someone who easily fits into our team." Embers commends PCL for recognizing the value of each individual worker, no matter their age.




Community Employment Benefits

Employment and procurement opportunities for at least three out of the eight following CEB target groups:

- Youth
- Recent Immigrants
- Small-sized, medium-sized and social enterprises
- Apprentices
- Indigenous Peoples
- Women
- Persons with disabilities
- Veterans

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Applies to infrastructure projects under the Investing in Canada Infrastructure Program, with a requirement to identify and implement employment and procurement community benefits throughout the project.

Case Study

CVRD Water Treatment Facility

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CASE STUDY CVRD WATER TREATMENT FACILITY
<https://www.districtofcomoxvalley.ca/2024/01/22/case-study-cvr-water-treatment-facility/>

Comox Valley Regional District Water Treatment Facility

- Included a signed partnership between Reginal District of Comox Valley and K'ómoks First Nation (KFN confirming cooperation and collaboration in the management of water resources.
- Proponents asked to propose, establish and report on a baseline number of employment hours for target groups based on what they felt they could achieve in the region
- Outcomes were met and surpassed

Case Study

CVRD Water Treatment Facility

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 CASE STUDY CVRD WATER TREATMENT FACILITY
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Opportunities & Success

"The CEB was absolutely effective in supporting apprenticeship and workforce diversity," he adds. "We started with a goal of just under 50,000 targeted employment hours, and achieved 125 or 130,000 hours." - Aecon (General Contractor)

Outcomes applied to general contractor and sub-contractors – provided an opportunity for a competitive edge in bids

The District saw no additional costs on the project as a result of the CEB requirements.

CEB model is "simple, clear and easy for people to understand" - Scott Hainsworth (previously CVRD)

Case Study

CVRD Water Treatment Facility

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CASE STUDY CVRD WATER TREATMENT FACILITY
<https://www.districtofcolumbia.gov/press-releases/2024/01/22/case-study-cvr-water-treatment-facility>

Challenges & Barriers

- Lack of clear outcome numbers was challenging for respondents – contractors might not be local to the project and know local needs and capacity
- Lack of clear outcome numbers or best practice examples in the CEB model was challenging for local government because of lack of local benchmarks
- It would be good to be able to recognize “best efforts”
- Reporting challenges – sensitivity in workers identifying as part of an equity-deserving group – reduces accuracy of reporting

Project Completion

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Looking Forward
An opportunity for the Region to “test the waters” and see what similar initiatives the market might tolerate in future.
Based on this learning, there is room for the District to iterate and improve CBAs or social procurement requirements on future construction and infrastructure projects. The CEB model has good building blocks that municipalities and purchasers can adapt based on their specific strategic goals and community support groups in their communities.



Community Employment Benefits	Commitment (hours)	Actual (hours)
Indigenous Peoples	10,000	23,411
Apprentices	15,000	41,921
Under-represented populations	10,000	44,992

Metrolinx

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Metrolinx, an agency of the Ontario Government, was created to improve the coordination and integration of all modes of transportation in the Greater Toronto and Hamilton Area.

They are utilizing a CBA 'to provide opportunities and other benefits to local residents, including equitable hiring practices, training, apprenticeships, local supplier and social procurement opportunities, where possible.'

Metrolinx adopted a Community Benefits Program at the urging of community-wide advocacy group, Toronto Community Benefit Network (TCBN). 10% of all trade hours to go to apprentices and 10% of all trade hours to go to persons from historically disadvantaged and diverse groups. [Metrolinx. \(n.d.\). Community benefits. Metrolinx. https://www.metrolinx.com/en/projects-and-programs/community-benefits](https://www.metrolinx.com/en/projects-and-programs/community-benefits)



Case Study: Metrolinx Community Benefits Program:

- Metrolinx is utilizing a CBA 'to provide opportunities and other benefits to local residents, including equitable hiring practices, training, apprenticeships, local supplier and social procurement opportunities, where possible.'
- In 2014, Metrolinx adopted a Community Benefits Program at the urging of community-wide advocacy group, Toronto Community Benefit Network (TCBN).
- 10% of all trade hours to go to apprentices and 10% of all trade hours to go to persons from historically disadvantaged and diverse groups. It is currently used on the Eglinton Crosstown LRT Project.

Metrolinx Social Enterprise Spotlight

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On the finch west LRT, Metrolinx procured courier services from good foot delivery. - To date approximately 8000 flyers have been delivered by Good Foot Delivery. - Neuro diverse inclusive employment



⚡ ON FOOT
⚡ ON TRANSIT
⚡ ON TIME



Good Foot Delivery provides meaningful employment for the neuro-diverse community through a reliable, professional courier service delivered via public transit and on foot. When you choose our trusted Couriers for your delivery needs, you're also supporting inclusive employment.

Affordable same-day and high priority delivery options available!



Implementation Process

CBA design and building Social Value into Construction

Design a Social Procurement and CBA Policy

- The policy should reflect your organization's key objectives, desired outcomes and procurement processes.
- The design could include interviews with key stakeholders and advisors, review of primary organization documents, and a review of current procurement policies.
- Together this will support in the design and evaluation of bid process, documents and social value criteria evaluation that reflects your organization's priorities.

Design and Implement Social Procurement and CBA targets

- This includes:
- Identifying project specific objectives and desired outcomes
 - Identifying project and community needs and capacity
 - Designing project goals, metrics, definitions, and accountability
 - Designing key project tools including projection and reporting tools
 - Supporting the design of an engagement and communications strategy
 - Team orientation and training

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Describe process and tools

Support and Tools for CBA Implementation

Projection and Reporting tools for:

- General contractors
- Sub-contractors
- Funding recipient to Funder

Surveys

- Employee self-identification
- Social Value Business

CBA Liaison supports:

- Reporting and Compliance
- Training and education on CBAs and tools
- Creating relationships between industry and employment and training groups and suppliers

Project Specific Working Groups or Committees

Annual written report

Independent Third-Party Monitor



- Deliver team orientation and training
- Support project owner, developer, general contractor and key subcontractors
- Liaise with key stakeholders
- Attend the Project Specific Working Group and present monthly reports
- Support the development and use of key tools to gather data and report on CBA goals
- Facilitate connections with employment agencies, suppliers and other community organizations
- Support with annual reporting

Engagement

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 Engagement is broken into two phases. Learning and coaching led by BSC and engagement with community and local connections, supported by local partner potentiality.

- Facilitation of Project Partner Outcome Goal Setting Sessions and Design
- Project team orientation and ongoing coaching
- Facilitation of community engagement sessions
- Facilitated connections with the First Nations, employment and training agencies, suppliers and other community organizations

<h2 style="margin: 0;">Engagement</h2>			
Delivery	Lead	Contribute to	Attend/Engage with
Facilitation of Project Partner Target Setting Sessions and Design	Buy Social Canada	Project Partners	Project Partners
Project team orientation and ongoing coaching	Buy Social Canada	-	Project Partners
Facilitation of community engagement sessions	Buy Social Canada / Local Partners	-	Project Partners
Facilitated connections with the First Nations, employment and training agencies, suppliers and other community organizations	Buy Social Canada / Local Partners	-	Project Partners

Reporting and Measurement


- Completion and dissemination of a projection tool to gather information about employment, training and procurement opportunities on the project
- Identification of existing funding opportunities barriers and delivery of funding and/or bursary programs
- On-going monitoring and evaluation of activities contributing to the project goals
- Monthly reporting of direct hiring on the project that contributes to the project goals
- Monthly reporting of the procurement on the project that contributes to the project goals
- Annual report on the activities and outcomes contributing to the project targets

Reporting and Measurement

Delivery	Lead	Contribute to
Completion and dissemination of a projection tool to gather information about employment, training and procurement opportunities on the project	BSC	Project Partners
On-going monitoring and evaluation of activities contributing to the project goals	BSC	-
Identification of existing funding opportunities barriers and delivery of funding and/or bursary programs	BSC	-
Monthly reporting of direct hiring on the project that contributes to the project goals	BSC	Project Partners
Monthly reporting of the procurement on the project that contributes to the project goals	BSC	Project Partners
Annual report on the activities and outcomes contributing to the project goals	BSC	Project Partners

- **Contribute to** the development of project goals and metrics
- **Submit** reporting and projections on project procurement and employment
- **Identify** opportunities and challenges on the project
- **Engage** in training and workshops
- **Build relationships** with community organizations, employment agencies, and First Nations through attending engagement sessions
- **Attend and engage** in meetings to discuss reporting outcomes and challenges

What are the responsibilities of the Project Partners?



Resources and Next Steps

Social Enterprise Certification

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Definition
Directory



About Services Directories Learn News Events Contact Q

Certified Social Enterprises

Find valuable connections in your community and make an impact by doing business with social enterprises.



Filter By:

- Location
- Construction
- Social Value

MANITOBA
BUILD Inc.
Employment Opportunities
Skills Training
Social Inclusion

ONTARIO
Building Up
Employment Opportunities
Racialized Communities
Skills Training

ONTARIO
Community Builders
Child and Youth Development
Community Development
Employment Opportunities
Homelessness and Housing

Support and Services

Social Purchasing Partner

Consulting Services

- Policy design
- Implementation Framework
- Measurement and tools



Social Procurement Professional Certificate

- / Create a social value culture within your organization
- / Develop a social procurement best practices
- / For private and public sector procurement

Social Procurement Professional Certificate

- Four-part demand side course
- February and April 2024



Free Library of Resources

- Introduction
- Implementation
- Construction specific

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Myth

The social procurement journey is straightforward and linear

Fact

The social procurement journey is complex and iterative

The journey will require changes in policy, practice and culture and can have incredible impact in communities – it's worth it!

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Connect With Us

Have some questions or need information on how you can be involved or how our services can support your social enterprise or social procurement efforts?

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