



# A FRAMEWORK FOR IMPLEMENTING COMMUNITY BENEFITS AGREEMENTS

Albert Frootman  
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cardus.ca

 @cardusca

Head Office: 185 Young Street, Hamilton, ON L8N 1V9

info@cardus.ca

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## About the Author



**ALBERT FLOOTMAN** holds a bachelor of environmental studies degree (urban and regional planning) from the University of Waterloo, and a master of public administration degree from the University of Western Ontario. He is a full member of the Canadian Institute of Planners and accredited as a registered professional planner in the province of Alberta. He is also an associate member of the Canadian Association of Management Consultants.

## Executive Summary

Governments of all levels increasingly wish to leverage spending on infrastructure to achieve multiple social ends, especially to ensure that the benefits that accrue from this spending be equitably shared among the whole population, including those most disadvantaged in society.

Community benefits agreements (CBAs) have become a primary tool in seeking to achieve this goal. As discussed in greater detail in this paper, CBAs are agreements between governments and the private sector that are designed to secure shared benefits among community members who may not otherwise benefit as much from the expenditure of government funds. The present paper, a follow-up to the first Cardus report on CBAs, published in July 2021, discusses the forms that these agreements can take and a range of practical matters involved in their implementation. The paper also distinguishes CBAs from other agreements such as project labour agreements, and examines how CBAs should seek to maximize the diversity of the construction labour force while ensuring an open and competitive market for public spending.

The paper discusses how governments need to consider how CBAs can increase costs, both internally through greater project-management costs and externally on businesses, and how they can lead to overall cost increases for projects. These costs will ultimately fall on public-sector capital budgets and may reduce the overall value to the taxpayer. After all, scarcity is a reality for businesses and labour markets as well. This paper proposes some practical steps in addressing these issues for governments as they develop procurement policies that incorporate CBAs.

The paper concludes with a checklist to help guide municipalities and senior governments in balancing these diverse needs. It is hoped that this approach will enable governments to address the problem of scarcity, maximize their existing resources, and deliver a range of benefits, including infrastructure services, economic enhancement, and training and jobs, to their communities in an equitable manner while continuing to get good value for capital projects.

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# 1.0 Introduction

Across Canada there is a growing interest in maximizing the benefits of public spending—not only to acquire needed services, goods, and new or improved infrastructure in the most cost-effective manner possible but also to leverage lasting physical, social, and economic change within communities. Concerns that are driving this interest include a desire for greater diversity in the workforce, supporting historically disadvantaged groups, and the need for new workers, particularly in the construction sector.

In July 2021, Cardus published an initial research paper titled “Community Benefits Agreements: Toward a Fair, Open, and Inclusive Framework for Canada.” This paper was written from the perspective of the builders’ community and motivated by concerns about transparency, measurability, and inclusiveness. The report included a detailed literature review and discussed the state of CBAs in Canada and concluded with a recommended list of “essential elements” to be considered when creating CBAs.

The report stated that while “the concept of CBAs [is] promising for Canada, . . . there are critical challenges that need to be addressed if these agreements are to receive the buy-in of all stakeholders in the process and truly achieve the broader social and economic benefits that CBA proponents claim. These challenges are numerous, substantial, and potentially destructive if not addressed meaningfully and in good faith. They concern issues of transparency, measurability, and inclusiveness.”<sup>1</sup>

The paper goes on to question “whether CBAs, as currently evolving, are truly instruments that promote fairness, equality of opportunity, and broad stakeholder understanding and cooperation, or whether they in fact privilege a selected part of the community and labour spectrum while excluding the rest.”<sup>2</sup>

The July 2021 report endorses the goal of increasing the participation of marginalized groups in training programs and in employment for major construction projects. However, it raises questions as to whether the CBA models of British Columbia and Ontario are the best ways to achieve it, finding little evidence to support them.

The present report follows up with further research involving interviews with a range of stakeholders to gain their reactions to the conclusions of the earlier report and to help inform the discussion about CBA best practices and implementation. Approximately twenty-five stakeholders were interviewed, a diverse group with a variety of perspectives, ranges of experience, and backgrounds. They included representatives of labour, construction companies, construction associations, First Nations, social enterprises, provincial and local governments, and the engineering consulting sector. Key organizations included the following:

1 Cardus, “Community Benefits Agreements: Toward a Fair, Open, and Inclusive Framework for Canada,” July 15, 2021, 3, <https://www.cardus.ca/research/work-economics/reports/community-benefits-agreements-toward-a-fair-open-and-inclusive-framework-for-canada/>.

2 Cardus, “Community Benefits Agreements,” 3.

Alberta Chamber of Commerce	Christian Labour Association of Canada
Alberta Infrastructure	EMBERS Staffing, Vancouver, British Columbia
Alberta Roadbuilders and Heavy Construction Association	Federation of Canadian Municipalities
British Columbia Construction Association	Ledcor
Buy Social Canada	Mining Association of Canada
Canadian Public Works Association	Ontario Ministry of Infrastructure
Chandos Construction	Ontario Sewer and Watermain Construction Association
City of Hamilton, Ontario	Toronto Community Benefits Network
City of London, Ontario	Vancouver Island Construction Association

Repeated efforts were made to connect with representatives of the Building Trades Unions across Canada; they did not respond to our queries or outreach. Instead, their perspectives were gleaned through secondary means. Efforts were also made to contact representatives of the infrastructure ministries of the Government of British Columbia and the Government of Saskatchewan. They also did not respond to repeated contacts.

The purpose of this report is to better understand how CBAs are being used and implemented and to identify concerns and their limitations. This understanding informs detailed recommendations for the implementation of community benefits in public-sector procurement. The report summarizes the result of the interview and research phase of this project and proposes a model for CBAs that should allow governments to achieve their policy objectives in a practical way that also provides value for taxpayer dollars. As such, this is a practically focused paper that is intended to be treated as a manual for governments.

## 2.0 Background

### 2.1 Definitions

A shared understanding begins with definitions, and the incorporation of community benefits into procurement decision-making requires a common understanding of what the terminology means. The following definitions are offered to set the stage.

***Social Procurement.*** According to the City of Toronto, social procurement is “the achievement of strategic social, economic and workforce development goals using an organization’s process of purchasing goods and services.”<sup>3</sup>

This is a broad definition, because “social procurement” is an umbrella term. It is most often used in reference to the purchasing of routine goods and services, other than major infrastructure and building projects, within a framework that considers not only price and availability but also the characteristics of the business, its owners, and its employees. It will include identification of vendors, and favouring those that are small businesses, minority-led, or operated in ways that offer opportunities to all members of the community. Municipal governments in particular desire the betterment of the local community. Therefore, social procurement will also seek to ensure that local businesses are able to participate.

***Community Benefits.*** According to Dina Graser, a specialist in equitable economic development, “Community benefits are additional physical, social and economic benefits for the local community that are leveraged by dollars already being spent, often on major infrastructure and land development projects.”<sup>4</sup>

Community benefits are a subset of social procurement. The focus of community benefits is on creating economic opportunities for members of equity-seeking groups. Diversity and inclusion are of interest to social enterprises, governments, and contractors—their motivations may differ, but this perspective is generally shared as a matter of basic fairness.

The word “additional” is important. Infrastructure and development projects already provide a range of functional and economic benefits to a community that can be significant. Consider a new bridge: it offers economic benefits because travel routes are shortened and reduced in cost; it offers social benefits because people can move about and interact more easily; and it offers environmental benefits because energy is used more efficiently and may provide an additional route for public transit.

However, the idea with “community benefits” is to use public and private spending to leverage and maximize other benefits to address specific needs in the community.

3 City of Toronto, “Social Procurement Program,” <https://www.toronto.ca/business-economy/doing-business-with-the-city/social-procurement-program/>.

4 D. Graser, “Community benefits: FAQs,” October 22, 2018, 1, <http://dinagraser.ca/wp-content/uploads/2018/10/Community-Benefits-FAQs-2018.pdf>.

In the case of the same bridge, additional community benefits could include new riverside pathways beneath the bridge, dedicated cycling or transit lanes, the ability to improve utility systems by suspending trunk lines from the bridge, and the creation of business opportunities and jobs for equity-seeking groups.

***Community Benefits Agreements.*** Graser defines CBAs as “legally binding, enforceable contracts that set forth specific benefits for an infrastructure or development project. Common in the U.S., CBAs are usually negotiated between a developer or infrastructure builder and a community group or coalition. Benefits are defined through an inclusive community engagement process.”<sup>5</sup>

CBAs may be related to requirements imposed on developers of large construction projects, but they are most often a condition of entering into a contract to construct public infrastructure, or required by a government entity of itself when planning a major project. In general, a CBA is an agreement that requires the proponent or the contractor on a project to meet certain conditions around local procurement of goods and services, and to ensure that a specified proportion of hours spent on a project is worked by people from a list of identified groups. The goal is to ensure that all members of the community have an opportunity to participate, and to create pathways to construction careers for people who might not otherwise seek out these jobs.

Funding for community amenities may be part of traditional CBAs between developers and communities. In the case of public-sector infrastructure, the primary benefits are jobs and economic benefits for the local community.

***Community Benefits Clauses.*** Community benefits clauses are provisions found in a tender for a publicly funded project that require the contractor to deliver certain additional benefits for a project.

These community benefits clauses, found within a tender, are more common than CBAs created alongside a tender. Apart from situations where private-sector proponents are required by governments to enter into CBAs with affected communities (such as in Vancouver), freestanding CBAs can be expected to be quite rare. The greater focus on community benefits will take the form of policy directives that guide project planning, and clauses within tender documents that require contractors to use local services and labour from certain groups. For the purposes of this paper, however, the term CBA will be used to encapsulate community benefits clauses as well.

***Open and Competitive Tendering.*** Open and competitive tendering is the ability for all qualified businesses to bid on public procurement, regardless of identity, location, or union affiliation.

This is not new, but it is foundational for inclusive public procurement. The basic premise is that open competition will ensure that all potential vendors will have the opportunity to bid, without discrimination, to ensure the best value for the taxpayer.

5 Graser, “Community benefits: FAQs,” 1.

**Project Labour Agreements.** A useful definition of project labour agreements comes from the US Federal Highway Administration: “A project labor agreement (PLA) is a pre-hire collective bargaining agreement with one or more labor organizations that establishes the terms and conditions of employment for a specific construction project.”<sup>6</sup> These agreements will often stipulate the use of a unionized workforce for the completion of construction projects.

## 2.2 An Overview of Public-Sector Procurement

This section is provided primarily for readers unfamiliar with the details of how governments spend money. A basic understanding of procurement is essential to the effective and equitable implementation of community benefits.

This section also discusses how the procurement process should interact with the consideration of the community benefits sought under a CBA.

### 2.2.1 Goods and Services Procurement

Governments purchase routine goods and services every day. While many items are provided only by larger businesses, there are many needs that can readily be supplied by small and local businesses. Purchasing methods vary depending on the value and type of procurement. These decisions are typically governed by a bylaw or council-approved policy, which seeks to achieve the best value by obtaining the best pricing, but not at the expense of wasted time and effort.

There are a number of different purchasing processes. These include the following:

- **Simple research** on vendor pricing for a fixed bundle of goods is generally used for small purchases.
- **Solicitation of vendor bids** can also be used for smaller purchases.
- **Requests for quotation** can be made for the supply of a larger quantity of goods.
- **Tendering** is usually for construction projects, where bidders review detailed plans and provide sealed competitive bids for the work to be done. These contracts are generally awarded based on price.
- **Requests for proposal** are most often used for consulting or similar services where the purchaser describes a need and invites submissions from suppliers, with workplans and pricing options. These are usually evaluated using a matrix of factors, including the quality of the proposal, experience of the consultants, references, and price.
- **Standing-offer agreements** or some other form of contract are often used for regular and repeated purchases, so as to avoid the need to go to the market each time. Examples include office supplies (where a vendor provides

6 US Federal Highway Administration, “Construction,” <https://www.fhwa.dot.gov/construction/cqit/pla.cfm>.

items at catalogue price less an agreed-on percentage discount), repair and maintenance work, and consulting or legal services where agreements with standard pricing are reached with a limited number of vendors. Such contracts may be annual, but are often multi-year.

Open procurement is foundational to competitive bidding and securing the best value for taxpayers. Successful open bidding requires effective communication and advertising of opportunities (other than small purchases under specified thresholds) to all qualified vendors. This is typically done online, for example, on MERX (a private site), bidsandtenders.ca, Ontario Tenders Portal, Ontario Public Buyers Association, the Association of Municipalities Ontario, and others. In western Canada, BC Bid, Alberta Purchasing Connection, and SaskTenders are provincially run procurement websites used by provincial departments, public agencies, and municipalities. The use of these sites fulfills open procurement rules under the New West Partnership Trade Agreement.

### 2.2.2 Infrastructure Procurement

Since the procurement process is critical to the creation and delivery of successful CBAs, it is useful to focus particularly on how infrastructure projects are planned and executed. Most of these will follow a process much like the one set out below.

- **Project identification.** The first step is to identify the work to be done (e.g., a new bridge, street reconstruction, a new building), including the need and the scope, along with preliminary cost estimates.
- **Inclusion of the identified project in a capital program.** This will often take the form of a priority list with other projects that are categorized as short, medium, and long-term, to be undertaken over a five- to ten-year period or longer. It is understood that not all identified projects will be funded, hence the need for prioritization of projects that could be included in a fixed budget envelope. These priority lists will therefore often include a “funding line,” below which there is no commitment to undertaking the work.
- **Identification of planned funding.** The source of funds is identified, subject to budget approval. For example, funds could come from general revenues, reserve funds, grant funding, or borrowing.
- **Political approval.** The project is submitted to the political level of the government, which may be a municipal council, provincial treasury board, and so on. This is generally done through the approval of a capital budget and is often subject to the approval of external grant funding or a borrowing bylaw.
- **Project management approach selection.** Managers will select an appropriate approach to directing the project. Examples include a conventional process of design followed by tendering; design build, in which the contractor is chosen before the design is complete and is responsible

for finalizing the design in accordance with contracted objectives; and integrated design build, in which the owner, designers, prime contractor, and subcontractors collaborate from initial design through construction. Bundling of a number of projects into one tender may be considered at this point (see below).

- **Design.** The project is designed based on need, scope, identified goals, and available funding.
- **Tendering.** The proposal is put out to tender, requesting submissions from potential suppliers. In a conventional process, tendering follows the design step. In a design-build process, these two steps are reversed.
- **Construction.**
- **Construction completion / in-service.**

As indicated in the section below on project management, it is critical to the success of CBAs that governments consult relevant stakeholders from the outset and throughout this process. While the above outline is characteristic of municipal infrastructure procurement processes, the take-away that consultation is necessary throughout a procurement process applies to all levels of government.

### 2.2.3 “Bundling” in Procurement

The goal of diversifying purchasing by favouring small local businesses runs counter to current practice in public procurement. Many governments currently prefer “bundling” of work and of the purchase of goods as a means of getting better pricing and therefore better value for taxpayers. Municipal associations across the country engage in procurement for their members to get better pricing. Fuel, electricity, natural gas, tires, and insurance are among the items that are acquired through joint purchasing. Except for franchised local fuel and tire dealers, local businesses are most often not involved. Further, capital projects are often made as large as possible in order to find economies of scale and to ease the workload on project managers.

This poses a tension for CBAs, which is discussed further in the section below on supplier diversity.

## 3.0 Themes and Shared Perspectives

A number of themes and shared perspectives have come out of our interviews. The following section provides a description of these.

### 3.1 The State of Play

In their current form, CBAs in Canada have been derived from CBAs in the United States and the United Kingdom, especially Scotland. However, in the Canadian context they are also informed by impact and benefit agreements between the resource industry and First Nations and Inuit communities in Canada. The essential idea is that the Indigenous communities that will bear the costs of disruption and change should also enjoy some of the benefits that accrue from new projects. Impact and benefit agreements most often provide for work training, job employment in construction, ongoing operational jobs, cash to support initiatives that don't receive federal funding, and funding for community amenities such as health care or recreational facilities.

With CBAs becoming more widely used in Canada, there are growing concerns about how they are defined and applied. Competing needs and demands include the following:

- Industries desire more consistent, transparent, and streamlined regulatory processes for project assessments and approvals.
- Project owners, developers, contractors, and others require clear, fair, and transparent protocol frameworks for maximum productivity.
- Taxpayers want to see value for their dollars spent on public infrastructure projects, and the large gap between the identified needs and available funding makes this a high priority.
- Local communities want to maximize the community and social benefits that flow from major infrastructure investments.

Reconciling these needs will be a major task for governments looking to employ CBAs and is the fundamental purpose of this paper. Based on previous research and on the consultations conducted, not only can these needs be reconciled, but the roadmap outlined below will assist governments in achieving this balance.

### 3.2 Role of Institutions

The stakeholder environment for governments engaging in CBAs is diverse, with each stakeholder contributing a particular aspect of CBAs and having its own unique perspective on them. It is useful to mention a few of them here.

## Construction Associations

The typical image of a construction association is of a political lobby organization with a board composed of the chief executives of a number of large construction companies, and a small staff team led by an executive director who spends a lot of time promoting the interests of the sector. However, things are changing in that business too. These associations are highly attuned to the needs of their members—and recruiting new people to work in construction is at the top of their list.

But construction association executives are talking more about how they are working to meet the needs of new workers and to provide wraparound supports. They understand that new workers face challenges—lack of basic training, a need for suitable clothing and safety footwear, overcoming personal issues, caring for family members, even a lack of basic physical fitness—and they are willing to take practical steps to help new workers through the transition to permanent employment. Even more, it is widely recognized that the traditional workplace culture found on many jobsites is not welcoming or respectful to women and newcomers—and construction associations are showing leadership by creating programs targeted at changing this tendency. They are the face of a changing industry.

- **Construction associations** represent construction companies. These companies can be diverse, spanning the spectrum from unionized to non-unionized workforces, and vary significantly in size. Construction associations have become increasingly involved in highlighting labour-force issues, and in seeking to resolve them. Promotion of cultural change within the industry and worker training programs are among the initiatives that are being pursued.

Construction associations generally accept the goals of CBAs, particularly where the goals include identifying new sources of labour. However, they are concerned about maintaining open and competitive tendering, and recognizing practical constraints on employing new workers, such as training them on lower-risk jobs and the need to maintain safe worksites.

- **Labour unions**, including progressive unions, are very involved in worker training, and are part of growing efforts to recruit newcomers to the construction sector. Their role in this development should be harnessed by CBAs, as they can be important partners among others in achieving many of the community benefits that governments seek.

However, in considering the role of unions, it is important to distinguish between CBAs and project labour agreements. Through our consultations, some stakeholders shared their concern that some unions use CBAs to increase their share of the labour market for infrastructure projects. Harnessing the resources of unions should not come at the expense of open and competitive tendering.

- **Municipal associations** (including the Federation of Canadian Municipalities, the Association of Municipalities Ontario, Alberta Municipalities [urban], and the Rural Municipalities of Alberta) are aware of social procurement and CBAs, but appear not to be actively engaged in any work on this subject at this time. This may be because the majority of their members are in fact smaller communities with limited capacity to address these issues. Cities and larger regional governments are engaged, but there are significant differences in their capacity to do so.

Larger municipalities, mainly cities and regional governments such as Waterloo, Ontario, are grappling with what social procurement and CBAs are and how to implement them; most policies and programs are quite new, and can be expected to evolve.

In general, smaller municipalities are not actively engaged in social procurement apart from political encouragement to “buy local” to support businesses that pay property taxes locally, and where they are required to establish targets for hiring people from identified groups under federal contribution agreements as part of major infrastructure projects.

- **Senior governments** play an important role. Federal contribution agreements (under the Investing in Canada Infrastructure Program and others) with provinces and the municipalities require the selection of at least three equity-seeking groups (which the federal government has identified as apprentices, Indigenous peoples, women, persons with disabilities, veterans, youth, and recent immigrants), and setting targets for employment during the course of funded projects. This work can include project management, engineering, administration, and others, and is not restricted to construction labour.

Support for small and medium-sized enterprises and social enterprises is also preferred.<sup>7</sup> Designing and phasing major projects so that smaller firms can feasibly take on portions of them is a logical way of doing this.

- **Community social agencies and social enterprises** have an important role to play in ensuring that new workers are connected with training opportunities and contractors. These organizations are often engaged in providing services to members of equity-seeking groups, and can be well-positioned to identify new workers and facilitate their transition to construction employment. These agencies can initiate their involvement, or they can be invited to participate by municipal and provincial governments.

This includes agencies formed specifically to participate in community benefits initiatives, such as the Toronto Community Benefits Network.

### 3.3 Emerging Concerns

#### 3.3.1 Worker Shortage in the Construction Sector

There is widespread agreement that there is a major shortage of workers in the construction sector. There are two principal reasons that are typically identified for this shortage:

<sup>7</sup> Infrastructure Canada, “Community Employment Benefits General Guidance,” <https://www.infrastructure.gc.ca/pub/other-autre/ceb-ace-eng.html>.

- **Retirement of older workers.** Similar to other industries, an aging population means that a significant portion of the workforce is reaching retirement age.
- **Lack of promotion of the trades.** A significant number of younger people have focused on obtaining degrees and are pursuing knowledge work instead of trades. Many families and educators have promoted knowledge work at the expense of the trades. In this sense, while the construction sector faces many of the same demographic issues as other industries, it is in replenishment that the construction sector faces particular challenges. While some governments are starting to turn their attention to this problem, we must recognize that a significant shift will have to occur to reverse this trend.

However, interviewees emphasized the benefits to workers in the construction industry, particularly in that it provides a gateway to training, credentials, good pay, and job security. It was noted that increases in minimum wages did not affect the construction sector owing to the exceedingly rare instances of minimum wage jobs in construction. Starting pay is considerably higher, and some skilled trades provide incomes higher than many professional or administrative roles. Furthermore, efforts are made by unions and employers to retain good people and direct them to new projects when jobs end.

There is a strong shared interest in using CBAs to recruit much-needed new workers to the construction sector by supporting contractors in opening doors for them. Construction firms, construction associations, progressive unions, larger municipal governments, and social enterprises are most engaged. Supports that were discussed include training, identifying personal challenges faced by new workers and helping to overcome them, and ensuring good opportunities to learn.

### 3.3.2 Specific Concerns

There are a number of specific concerns that have been raised about CBAs by several stakeholders:

- CBAs are being used in a way that limits competition and access to publicly funded work. Limited competition means a reduction in the number of bids that project proponents can expect to receive, leading to higher costs.<sup>8</sup>
- CBAs are intended in principle to promote diversity and inclusion, but this is not necessarily working in practice.
- CBAs increase costs for governments or reduce how far existing funding will go, as new requirements on employers will require time and effort and reduce efficiency.

8 B. Dijkema, “Bouncing Back Through Diversity: The Effects of Bill 66 on Construction Competition in the Region of Waterloo,” Cardus, July 22, 2021, <https://www.cardus.ca/research/work-economics/reports/bouncing-back-through-diversity-the-effects-of-bill-66-on-construction-competition-in-the-region-of-waterloo/>.

- In the case of workforce development, the stakeholders interviewed doubt that CBAs are more effective than traditional recruitment and training processes.
- There is a project-size threshold below which CBAs are not feasible, as discussed in greater detail below.
- It can be difficult to guarantee transparency, measurability, and accountability when what matters most is the diversity and inclusion, not of a specific project, but of an industry overall.
- Critical success factors, such as implementation and best practices for community benefits programs, are not well-defined or understood.

Promoting greater equality through public spending requires paying attention to where the money is going. How much of local public spending is remaining in the community? Is the money going to certain advantaged groups of people? Is the competitive procurement process truly open and competitive? Are there identifiable groups of citizens and taxpayers who are disadvantaged but who could be better supported if governments adjusted the rules to make them fairer for everyone?

*Governments, project managers, and taxpayers want to know that they are getting the best value for their money.*

### 3.3.3 The Cost of Risk

Respondents identified numerous risks with CBAs, which need to be considered and addressed through implementation. This was consistent with the concerns identified in the July 2021 paper, which includes a more extensive treatment of cost concerns. These include costs for government entities, community agencies and others involved in workforce procurement, and for contractors who take on new responsibilities to manage and track their efforts.

Governments, project managers, and taxpayers want to know that they are getting the best value for their money. CBAs are being promoted as a means of leveraging social benefits without spending more money. However, CBAs may cost more than traditional workforce development programs such as worker retraining.

Further, when it comes to CBAs, the easy solution is to assign all the responsibility to the contractors. In this case, the contract specifies how many hours of work must be done by members of identified groups, and the contractor must demonstrate compliance. This can be achievable for contractors who are competitive and innovative in meeting the requirements, but in the words of one interviewee, “you might not like how they get there.” Results may fall short of expectations when people are hired mainly to fulfill a requirement rather than add real value to the project, or fail to find long-term employment in the construction industry, which is the most notable objective of CBAs.

Given a level playing field, contractors assess the risk and cost, plan to hire new workers to meet the requirements, and bid accordingly. That is because putting penalty clauses in contract documents creates a similar risk for all bidders, who usually increase pricing accordingly. Cost is always proportionate to risk. General contractors are risk managers; they take risk away from the customer and take responsibility for getting the job done, and this is what they charge for.

Some argue that CBAs don't need to cost anything, but simply represent a different way of doing business. This is true to some extent, but the implementation of CBAs takes time and effort. A great deal of planning and coordination is needed, especially where CBAs are new. This creates hidden costs such as unpaid project-manager overtime that eventually need to be addressed. As a result, these costs are shouldered mainly by government entities, but they are also shouldered by contractors who need to track and measure their compliance with contract requirements.

Community agencies also expend time and effort. This may be cost neutral if CBAs supplant more traditional worker recruitment and training efforts.

Also, governments need to consider that targets have been “aspirational” to date. Even contribution agreements with the federal government don't mandate minimums, but require project proponents to create their own plans and targets and report back. Most governments have very limited experience with CBAs, and setting hard targets would be premature—and perhaps not ever advisable because they may simply lead to higher costs.

There will nevertheless be costs associated with more requirements and regulations in procurement. When governments are running deficits and need to reduce costs, and municipalities are grappling with infrastructure deficits that defy easy solutions, governments should tread carefully in the implementation of CBAs. As governments implement future CBAs, measurement of success will be necessary to support future quantitative research.

Government organizations are inherently risk averse. Insurers and risk managers work hard to ensure that risk is avoided as much as possible. With infrastructure contracts, risk management includes confirming not only liability insurance and workers' compensation coverage but also construction bonding and liquidated damages clauses for time-sensitive projects. This is done to protect the interests of taxpayers, but also to protect the reputation of governments and their staff. Each of these requirements results in higher costs and limits the ability of many businesses to compete. It is critical for governments to understand that risk has value, and moving risk to someone else involves costs that the customer—the taxpayer—will ultimately bear.

### **3.3.4 Lack of Long-Term Benefits**

Contractors and construction associations are very aware that success in matching underrepresented job-seekers with opportunities in the construction sector requires social infrastructure to provide job training and wraparound supports. They point out that construction is not for everyone. It often involves heavy work, and it can

## Calgary, Alberta

Many municipalities are beginning to explore the merits of social procurement. The City of Calgary retained the services of BuySocial Canada to create its program, and chose to call it “benefit driven procurement.”

The program is relatively simple in its design. It seeks to ensure that taxpayers receive value for money while creating opportunities for businesses owned by or employing people from under-represented groups. The program respects the provisions of the New West Partnership Trade Agreement—an interprovincial free trade agreement signed by British Columbia, Alberta, Saskatchewan, and Manitoba. Local vendors are to be favoured for purchases under \$5,000. For purchases of goods and services under \$75,000 and construction under \$200,000, city departments are encouraged to ensure that at least one price is obtained from a local vendor. For purchases over these limits, city departments are encouraged to use a benefit driven procurement questionnaire with vendors, and to use the results in conjunction with other criteria such as price, quality, and timing. The questionnaire asks vendors about apprentices, diverse business ownership, size of the business (small and medium-sized enterprises favoured), recent immigrants, whether the business is a social enterprise, social inclusion practices, and employment of under-represented groups, people with disabilities, veterans, women, and youth.

The administration of programs like this ought to be simple in nature. Caution must be exercised during implementation to ensure that added complexity does not deter new entrepreneurs from bidding on projects, which could have the opposite of the intended effect.

be uncomfortable, dirty, and difficult to be outdoors in heat and cold. It often requires travel and, for major projects, living in remote camps. However, for those who can tolerate the discomforts, it can offer above-average pay and a viable career path.

Project-based employment targets (quotas) may only have short-term benefits if they don't lead to longer careers and the ability to complete apprenticeships. There are very few infrastructure projects that last long enough for a new worker to become fully qualified. Major hydroelectric dams and perhaps oil sands projects may be the exceptions.

This concern is tempered by the fact that contractors generally work hard to keep their crews together and secure ongoing work. Failure to do so means the risk of losing people to other employers. Unions are also involved in matching workers to other opportunities when projects end.

Still, this concern highlights the importance of ensuring that community benefits are sustainable in the long term. This requires governments to design requirements in such a way as to achieve long-run success. This is discussed further in the section below on workforce diversity.

### 3.3.5 Political Realities

Governments may use CBAs for political or ideological purposes. We see this with the CBA administered by British Columbia Infrastructure Benefits Inc., where a number of stakeholders (apart from the Building Trades Unions themselves) have been quick to offer unsolicited comments characterizing this as a project labour agreement, and “not a CBA.” A brief examination of the text confirms that it is a collective agreement applying to a number of unions responsible for supplying labour for provincial projects in British Columbia.

In the case of more traditional CBAs, where a developer enters into an agreement with a community, the community groups that engage in negotiations may not be representing the interests of the whole community. Some argue that it is not always clear what legitimizes the role of certain interest groups in representing the community. To alleviate this concern, governments should ensure that community engagement plans seek input from as broad a spectrum of groups as possible.

CBAs and social procurement may shut out, intentionally or otherwise, certain bidders from public projects—including small businesses owned by visible minorities and local businesses in smaller communities. Making purchasing processes and construction contracts more complex creates disincentives to participation. As a result, significant demands often cause the work to be awarded to larger contractors, often from outside the community, that have the capacity to deal with these additional requirements.

Finally, risk of failure must be recognized and mitigated. One observer noted that the federal government has two important, but potentially conflicting, goals: achieving community benefits and implementing projects quickly. This tension creates risk of failure on one side or the other. Therefore, governments need to avoid the temptation to “make CBAs about everything” and instead focus on a limited number of achievable targets such as jobs for new workers and local procurement.

Social procurement can be supported by ensuring that the rules relating to procurement are well-founded on cost-benefit analyses and don't unnecessarily disadvantage small and minority-owned businesses.

## 4.0 A Framework for Implementing Community Benefits

From the research, it is clear that municipalities are in the very early stages of social procurement and CBAs. Even Canada's largest cities have been involved for only about five years.

There is a clear need for a shared understanding and agreement on principles and practices that will enable governments of all sizes, especially municipalities, to engage effectively in social procurement and the delivery of community benefits.

### 4.1 General

Governments should establish clear policy goals for social procurement and CBAs. They should undertake a review of existing procurement bylaws and policies with broad input and approval of the municipal council or agency board involved. This should include an evaluation of the scope of CBAs and an analysis of where they are preferred over traditional forms of workforce development.

The result of this review should be a new policy document, supported by procedures and bylaws, including the following:

- A guiding statement of principle to leverage greater social and economic benefits for the community while ensuring value for tax dollars spent.
- A project value threshold over which community benefits provisions are to be considered.
- Specific provisions that are appropriate to the size and capacity of the municipality's administrative team.
- A policy on how the government will engage existing resources, including through community agencies, to support workforce development and identify and support new workers, especially in the construction sector.
- A fair and open process for establishing achievable targets within the community.
- Targets appropriate to the circumstances and needs of the municipality, including
  - overall targets for the community as a whole;
  - project-specific targets, insofar as they are practical;
  - flexibility based on labour needs and labour supply.
- Appropriate means of measurement, which may include
  - monthly reporting by contractors with the submission of progress certificates;

- success against targets;
- social return on investment;
- economic benefits of social procurement and CBAs.
- Requirements in contracts for tracking progress, along with a methodology that ensures the privacy of individuals is respected and protected.
- Requirement for tracking costs to ensure transparency.
- Cost-benefit analyses to ensure that procurement requirements—bonding, insurance, safety programs, and so on, along with workforce and supplier diversity goals—are appropriate and necessary and do not create obstacles to participation for owner-operated businesses.
- Tracking long-term employment of individuals involved in CBAs in the construction sector.
- A commitment to continuous improvement of the policies and procedures for CBAs.

## 4.2 Supplier Diversity

The review of procurement policies described above should ensure that they include meaningful references to supplier diversity and provide latitude to choose suppliers that provide the right balance between best value and best price. Means of ensuring supplier diversity include an emphasis on open bidding, advertising of opportunities, and outreach to local businesses. In many cases where this is already happening, there may nevertheless be opportunities to improve execution.

Broad and early consultation is essential to success. This is a repeated theme in the research. “Community” should be broadly defined and inclusivity should begin at this stage. Stakeholders should include the following:

Citizens	Governments (federal, provincial, and local)
Community agencies	Social enterprises
Community organizations, such as neighbourhood associations	Training organizations
Construction associations	Unions
Contractors	Urban Development Institute
Developers	

Each community needs to create its own list and create a plan to engage proactively with these groups.

It is very important to determine local resources early in the process of establishing a CBA. The consultation process should include an examination of goods and services

that can be sourced within the community, and this understanding should be built into the project design. Small businesses and social enterprises can be an effective

*Means of ensuring supplier diversity include an emphasis on open bidding, advertising of opportunities, and outreach to local businesses.*

and efficient source of goods and services and local labour. If there is a local business directory produced by economic development or by business licensing staff, it should include good descriptions of those businesses. Municipal staff should use it to identify potential vendors. In many communities, this could be a key objective of business retention and expansion programs undertaken by economic development staff.

However, it is likely that many potential vendors, especially small businesses, are unaware of procurement opportunities and the ways in which governments advertise them. Therefore, government organizations should consider how to make more people aware, through greater use of municipal websites and newsletters to point vendors to procurement websites

as well as the promotion of opportunities by economic development departments, chambers of commerce, and other organizations.

Public-sector organizations vary considerably in their ability to procure effectively. When purchasing is directed by front-line managers, they often take the path of least resistance—the best price and quickest service. An effective social procurement program takes dedicated staff. Larger cities generally have the human resources to manage these programs, but small towns and rural municipalities most often lack them. Therefore, policies promoting social procurement need to take organizational capacity into account.

Finally, as alluded to above, bundling of projects presents a tension for CBAs. On the one hand, bundling work or purchases makes it difficult for smaller local businesses to compete, which runs counter to one of the stated objectives of CBAs. On the other hand, since CBAs are not feasible below a certain contract-size threshold, some proponents of CBAs advocate in favour of bundling so that smaller communities can more easily enter into CBAs with these larger contracts.

It is important for municipalities not to undermine the possibility of local procurement by bundling too many works or purchases into one contract. Bundling may not always yield the expected results. The competitive pool could narrow considerably, with small and medium-sized enterprises shut out.

### **Key Questions for Governments Implementing CBAs**

1. Is our procurement process neutral with respect to bidders on the basis of union affiliation, gender, ethnic origin, or other identifiable factors? If not, identify and remove barriers that disqualify bidders on these bases.
  - a. Do our bylaws allow bidding regardless of these factors? If not, remove anything that specifically restricts bidding based on these factors.

2. Have we made efforts to increase awareness of government contracts among as wide a variety of vendors as possible, including within communities that are under-represented?
3. Have we contacted community partners—chambers of commerce, business associations, neighbourhood associations, employment agencies, immigration services agencies, small business groups, economic development agencies, and so on—to communicate procurement opportunities?
4. Do existing requirements on bonding, insurance, and so on hinder supplier diversity?
  - a. Have we removed any requirements that are likely, even inadvertently, to reduce supplier diversity?
5. Are we bundling contracts in appropriate ways that allow smaller, diverse suppliers to participate in procurement?
  - a. For senior governments, are we designing and phasing major projects so that smaller firms can feasibly take on portions of them?
6. Does our procurement process trigger this outreach to stakeholders early and at appropriate times?
  - a. Have we allocated sufficient time and resources to this effort?
7. Have we sought a balance between supplier diversity and value for taxpayer money?

### 4.3 Workforce Diversity

CBAs are focused on social as well as economic benefits for the affected community. One way for governments to achieve workforce diversity is to maximize the pool of labour available for their projects. However, some practices can inadvertently limit this pool. These can include standing-offer agreements that are so long-lasting that new companies are effectively barred from competing for work. We have also already touched on how project labour agreements can sometimes masquerade as CBAs, thereby limiting the kind of labour that is permitted to work on a given project. Avoiding these practices would promote competition among companies and increase value for the taxpayer.

The success of CBAs in achieving workforce diversity depends on having the social infrastructure to implement them. Therefore, governments must gain the support and involvement of social enterprises and agencies. Governments need to ensure that existing agencies are able to adapt and contribute to identifying a source of labour for contractors. Programs can be created, but they need to be tested and refined over time to ensure effectiveness. Coordination with existing workforce development programs, community colleges, and other organizations involved in training, is particularly important.

There are a number of instances of governments collaborating with companies and social enterprises to achieve these goals. A good example is the City of London, Ontario, which has embarked on the creation of a rapid transit system with federal and provincial funding.<sup>9</sup> Interestingly, they have selected a traditional design-bid-build procurement model rather than a design-build approach, despite the sheer size of the project. The city has deliberately chosen to break the project down into manageable phases to be delivered over a number of years. This is enabling smaller regional firms to bid on the work. It is also enabling the municipality to leverage existing relationships within the city.

*Project managers should see CBAs as an ongoing collaboration with the community.*

The City of London did its homework, consulted widely, and created a novel approach to community benefits. First, they worked with existing community agencies that would be able to identify new workers from a range of identifiable groups. Second, they created a “contractor handbook” and engaged with contractors to ensure they understood the goals of the program and what would be expected of them. Third, the city decided to include a “cash allowance” in each tender to cover the cost of the labour associated with meeting community benefits targets.

The initial results of the London example are favourable. A pair of local, well-established firms with a long history of working with the city have won the first contracts. Other municipalities are closely following the City of London experience.

### **Key Questions for Governments Implementing CBAs**

1. Are we maximizing the pool of labour that may participate in public work?
  - a. Have we eliminated anything (e.g., excessively-long-term standing-offer agreements, and exclusive agreements including project labour agreements) that would reduce, deliberately or accidentally, the available pool of labour?
2. Have we engaged community groups, social enterprises, a variety of construction unions, community colleges, construction associations, employment centres, contractors, developers, and other key stakeholders to develop this workforce continually, rather than placing weight on a given project to achieve numerical goals?
3. Have we provided supports for employers who wish to diversify their workforce?
4. Have we sought a balance between workforce diversity and value for taxpayer money?

<sup>9</sup> The federal Investing in Canada Infrastructure Program requires funding recipients over a certain project size threshold (\$10 million in Ontario) to create a plan to provide work for members of certain identifiable groups. The contribution agreements are “aspirational” in this regard in that they require a plan and require monitoring and reporting, but there are no hard targets imposed. The Program also encourages the selection of small and medium-sized enterprises.

### **EMBERS Staffing**

EMBERS is a social enterprise—a community development organization based in Vancouver, British Columbia. To help their clients transition to full-time work, they look for job opportunities. They decided to form EMBERS Staffing, a day labour agency that supplies labourers to other companies on an as-needed basis. The labourers are hired by EMBERS, which gives them basic health and safety training, makes sure they have suitable personal protective equipment and clothing, and assigns them different jobs with contractors.

When the Parq Vancouver casino and hotel project was approved by the City of Vancouver, the developer was required to enter into a CBA. This agreement required jobs to be provided for specified groups, as a means of addressing social and economic concerns in the city. EllisDon was the selected contractor and took on this responsibility. Their integration coordinator, Jeff Waters, had to find suitable workers to enable their trades to achieve the requirement. He turned to EMBERS Staffing, which was able to provide a steady source of day labour, and enabled the project to exceed its employment targets.

This is a prime example of how a non-profit social enterprise can partner with developer and contractor to meet operational needs in a seamless manner that also provides significant opportunities for newcomers to the construction industry.

## **4.4 Project Management**

Effective project management is a key factor in the successful delivery of community benefits. Project managers need to develop a strong awareness of community benefits and how to incorporate them into their project plans. This takes considerable time and effort, especially with the first projects carried out. Municipal leaders need to take this into account when adopting community benefits policies.

There is a need to identify and incorporate best practices into the project design and procurement process, starting with the project identification phase. (See the section above on public-sector procurement.) It is at this phase—the very first step in the process—when officials should first discuss the community’s needs that may be included in a CBA. The discussion at the council table might look different if capital budget decision-making were driven by community benefits in addition to technical requirements.

It is worth recalling that CBAs owe a great deal of their existence to the impact and benefit agreements between resource companies and Indigenous communities. Early consultation—as early as possible—is a key feature in the success of impact and benefit agreements, a lesson that applies equally to CBAs.

A successful CBA will emerge only if the community benefits sought are considered at every relevant stage of the project planning process. For example, the design phase generally establishes how the project will be built, particularly if the project is large and complex, which affects the eventual CBA. Furthermore, a communications plan is often integral, which necessitates early consideration.

Project managers should see CBAs as an ongoing collaboration with the community. It is important that they not simply download the obligations to the contractors. There is a lack of time and capacity following the award of a contract. The

work of connecting new workers to the project needs to be done up front, or the requirements will drive up costs.

Instead, governments should emphasize planning. Strategic priorities, including desired amenities, economic development, workforce development, community capacity-building, and so on, should be identified before any detailed project design work is done. The project plan and even the design need to be driven by a comprehensive set of objectives. Ensuring that CBAs don't drive up costs happens during planning and design.

As part of the planning, governments should develop a community engagement plan. Ideally, the project should include wide-scale community engagement with transparency and inclusion that involves the public, equity-seeking groups, social enterprises and agencies, and the construction industry. This should include the creation of an inventory of local resources and a plan to work with them. This inventory should include community agencies, social enterprises, labour, local business, materials, and suppliers. Working with these local resources and connecting them with the contractor will ensure a much greater degree of success. It is important to identify one or more sources of available skilled labour, safety training, and basic personal protective equipment. This is likely to be an important resource for the selected contractor.

Governments must focus on partnerships. Key partnerships include owners, engineers, contractors, social enterprises, training organizations, and the broader community. This focus may result in a preference for integrated design/build for project delivery.

Finally, it is crucial to establish realistic and clear goals. These should inform metrics that are achievable for all participants. These should be included in contract documents. They should be straightforward and flexible. Too many goals create additional risk, and there should be room for contractors to find creative and fair solutions.

These are shared responsibilities, but the project managers are the key to making it happen. Skilled and experienced individuals, supported by a strong management team, are needed to ensure success.

### **Key Questions for Governments Implementing CBAs**

1. Have we done the work of connecting new workers to project needs up front, and avoided downloading to contractors?
2. Have we included community benefits in our project planning? This includes identification of strategic priorities, desired amenities, economic development, workforce development, community capacity-building, and so on before any detailed project design work is done.
3. Have we created a community engagement plan that includes the public, equity-seeking groups, social enterprises and agencies, and the construction industry?

4. Is there a current inventory of local resources such as community agencies, social enterprises, labour, local business, materials, and suppliers?
5. Have we identified sources of available labour with useful skills, safety training, and basic personal protective equipment?
6. Is there a focus on partnerships—owner, engineer, contractor, social enterprises, community, training organizations—for both single projects and the government’s procurement initiatives over time?
7. Have we established realistic and clear goals with readily collected metrics, and are they being included in contract documents?
8. Is there plurality in the partnerships with community agencies, recruiting equity-seeking groups from a diverse set of organizations?

## 4.5 Measurement

Measurement of success is an important feature of any modern governance framework. Metrics must be a key part of any CBA. However, determining what to measure can be challenging.

Measurement can take the following forms:

- The number and percentage of hours worked on a project by people from targeted groups.
- The number and percentage of hours worked by people who were recruited through a workforce development program.
- The number and percentage of hours worked by apprentices or young workers.
- The value of work done by small and medium-sized enterprises.
- The value of work done by local small and medium-sized enterprises.
- The value of goods and services supplied by local small and medium-sized enterprises.

The foregoing should be as inclusive as possible of the various kinds of work done on a construction project. Construction work, for example, includes many different kinds of labour, including work done on the construction site, as well as administration, project management, engineering, and other work undertaken by the project owner or consultants. Tracking community benefits should include work done in all aspects of the project and within all phases of a project, including planning, design, and execution.

These measures are straightforward in principle. They require clear definitions, some tools such as apps to track employees’ hours, and suitable means for protecting the

privacy of personal information. With the appropriate measures, the results can be more accurately measured.

Every municipality needs to determine the contract-size threshold that makes sense for them. This depends on many of the issues discussed in this paper and the capacity of the local government to address them. Some contracts may be too small realistically to have a measurable impact on employment for targeted groups. Furthermore, the cost of implementing CBAs may vary from municipality to municipality, based on factors such as the diversity of the existing workforce and of the community, the feasibility of recruiting new workers, and the number of workers required for a given project. Moreover, smaller companies that would otherwise bid on smaller projects may choose not to do so because they lack the administrative capacity to manage CBA requirements.

Smaller municipal governments need to consider the capacity within their civil service to create and administer these agreements and collaborate with contractors and the community in implementing them. Numerical targets might make sense in some communities, but it depends on the local context. Some smaller municipalities may find that they do not have the capacity to implement a full CBA program; in such cases, they may wish to amend their policies to move toward the principle of CBAs in the long run. Once a threshold has been established, it should be reviewed regularly, in addition to adjustments for inflation, to ensure that the right number has been chosen.

However, governments must recognize that project-by-project measurement may not result in the long-term community benefits that they are seeking. For example, some respondents voiced concerns that companies may hire from targeted groups for projects that are subject to a CBA but not give them meaningful work, thereby guaranteeing no sustained increase in employment of equity-seeking groups. Likewise, project-specific measurement offers no guarantee that an employee of a targeted group will remain with the company beyond the time horizon of the individual project.

Governments should also recognize that the success or failure of CBAs rests not just on contractors but also on the willingness of governments themselves to support contractors in connecting them with the resources they will need. Early cooperation among government, contractors, and agencies can help to identify workers from equity-seeking groups and establish a stronger labour pool in advance of the project. This will then help to avoid the situation described above in which members of targeted groups are hired but not meaningfully employed.

In order to improve this cooperation continually, governments should regularly re-examine their own CBA policies to ensure that their structures are maximally conducive to helping businesses achieve the results. For example, regular reviews of the contract-size threshold, bundling policies, and other issues identified in this report should be mandatory. Ensuring that the rules allow for flexibility and creativity should also be a regular feature of these policy reviews.

Governments must therefore at least consider the long-term impact of their CBAs. While these become much more difficult to track and measure with any degree of certainty, there is ultimately no substitute for measuring and tracking aggregate, community-level data over time to determine the impact of CBAs on the community.

### **Key Questions for Governments Implementing CBAs**

1. Do our measurement policies allow for flexibility and creativity on the part of the contractor to fulfill requirements in efficient and innovative ways?
2. Have we considered the size of a given project and made a realistic assessment of its ability to achieve employment outcomes for targeted groups?
3. Have we incorporated tracking of aggregate, community-level data into our government's measurement of CBA success?

## 5.0 Conclusion

Governments in Canada are increasingly concerned with leveraging public procurement to achieve social ends. In an era of rising deficits and strained government resources, we should expect this trend to continue.

Successful implementation of community benefits—whether through stand-alone agreements or provisions embedded in contracts—will require governments to recognize that there is no world in which these community benefits can be achieved without costs. However, many of these costs can be mitigated with careful planning through partnerships with the private sector and with the community.

*If there is one key take-away from our consultations, it is that governments must look to the private sector as a partner in achieving social goods.*

The July 2021 report published by Cardus sets out “essential elements.” The implementation framework contained in this follow-up report addresses each of these in some way, interpreted through a lens that is focused on how to practically implement them, primarily in a local government context.

If there is one key take-away from our consultations, it is that governments must look to the private sector as a partner in achieving social goods. Governments that simply download responsibility to non-governmental entities will likely see their costs increase, thereby reducing value to the taxpayer, or see their social objectives go unfulfilled.

If society collaborates in this endeavour, however, these costs can be reduced, making the fulfillment of community benefits a far likelier outcome. This starts with early and ongoing engagement throughout the procurement process. It will involve cooperation in connecting new labour pools with companies and building networks where they do not already exist. Following the key questions for governments outlined in this report will go a long way to implementing community benefits in a satisfying way for all.

## Appendix: The Checklist

This section of the report summarizes the key conclusions in a way that helps enable procurement managers and others to evaluate their efforts to engage in social procurement and the delivery of community benefits.

This approach aims to set up structures that encourage supplier and workplace diversity over the longer term, while not dictating specific outputs on a project level. If the current CBA approach places the government as the primary actor, this approach has the government set the terms that structurally enable it to use a diverse group of suppliers, and for suppliers to diversify their workforces.

Checklist Items		Yes
<b>Supplier Diversity</b>		
1.	Is our procurement process neutral with respect to bidders on the basis of union affiliation, gender, ethnic origin, or other identifiable factors? If not, identify and remove barriers that disqualify bidders on these bases.	
1(a)	Do our bylaws allow bidding regardless of these factors? If not, remove anything that specifically restricts bidding based on these factors.	
2.	Have we made efforts to increase awareness of government contracts among as wide a variety of vendors as possible, including within communities that are under-represented?	
3.	Have we contacted community partners—chambers of commerce, business associations, neighbourhood associations, employment agencies, immigration services agencies, small business groups, economic development agencies, and so on—to communicate procurement opportunities?	
4.	Do existing requirements on bonding, insurance, and so on hinder supplier diversity?	
4(a)	Have we removed any requirements that are likely, even inadvertently, to reduce supplier diversity?	
5.	Are we bundling contracts in appropriate ways that allow smaller, diverse suppliers to participate in procurement?	
5(a)	For senior governments, are we designing and phasing major projects so that smaller firms can feasibly take on portions of them?	
6.	Does our procurement process trigger this outreach to stakeholders early and at appropriate times?	
6(a)	Have we allocated sufficient time and resources to this effort?	
7.	Have we sought a balance between supplier diversity and value for taxpayer money?	

Checklist Items		Yes
<b>Workforce Diversity</b>		
1.	Are we maximizing the pool of labour that may participate in public work?	
1(a)	Have we eliminated anything (e.g., excessively-long-term standing-offer agreements, and exclusive agreements including project labour agreements) that would reduce, deliberately or accidentally, the available pool of labour?	
2.	Have we engaged community groups, social enterprises, a variety of construction unions, community colleges, construction associations, employment centres, contractors, developers, and other key stakeholders to develop this workforce continually, rather than placing weight on a given project to achieve numerical goals?	
3.	Have we provided supports for employers who wish to diversify their workforce?	
4.	Have we sought a balance between workforce diversity and value for taxpayer money?	
<b>Project Management</b>		
1.	Have we done the work of connecting new workers to project needs up front, and avoided downloading to contractors?	
2.	Have we included community benefits in our project planning? This includes identification of strategic priorities, desired amenities, economic development, workforce development, community capacity-building, and so on before any detailed project design work is done.	
3.	Have we created a community engagement plan that includes the public, equity-seeking groups, social enterprises and agencies, and the construction industry?	
4.	Is there a current inventory of local resources such as community agencies, social enterprises, labour, local business, materials, and suppliers?	
5.	Have we identified sources of available labour with useful skills, safety training, and basic personal protective equipment?	
6.	Is there a focus on partnerships—owner, engineer, contractor, social enterprises, community, training organizations—for both single projects and for the government’s procurement initiatives over time?	

Checklist Items		Yes
<b>Project Management (continued)</b>		
7.	Have we established realistic and clear goals with readily collected metrics, and are they being included in contract documents?	
8.	Is there plurality in the partnerships with community agencies, recruiting equity-seeking groups from a diverse set of organizations?	
<b>Measurement</b>		
1.	Do our measurement policies allow for flexibility and creativity on the part of the contractor to fulfill requirements in efficient and innovative ways?	
2.	Have we considered the size of a given project and made a realistic assessment of its ability to achieve employment outcomes for targeted groups?	
3.	Have we incorporated tracking of aggregate, community-level data into our government's measurement of CBA success?	

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