



City of Hamilton
COMMUNITY BENEFITS PROTOCOL SUB-COMMITTEE
AGENDA

Meeting #: 24-001
Date: May 28, 2024
Time: 2:00 p.m.
Location: Room 264, 2nd Floor, City Hall (hybrid) (RM)
71 Main Street West

Matt Gauthier, Legislative Coordinator (905) 546-2424 ext. 6437

1. **CEREMONIAL ACTIVITIES**
2. **APPROVAL OF AGENDA**
3. **DECLARATIONS OF INTEREST**
4. **APPROVAL OF MINUTES OF PREVIOUS MEETING**
 - 4.1 September 28, 2023
5. **COMMUNICATIONS**
 - 5.1 Correspondence from Hamilton Community Benefits Network respecting The Successes of Community Benefits Agreements

Recommendation: Be received.
 - 5.2 Correspondence from Hamilton Community Benefits Network respecting Municipal Social Procurement Policies in Canada: An Environmental Scan and Recommendations for Hamilton

Recommendation: Be received.
6. **DELEGATION REQUESTS**

- 6.1 Delegation Request from Amandeep Saini, Research Shop, McMaster University, respecting Item 5.2, Correspondence from Hamilton Community Benefits Network respecting Municipal Social Procurement Policies in Canada: An Environmental Scan and

Recommendations for Hamilton

7. DELEGATIONS

8. STAFF PRESENTATIONS

9. CONSENT ITEMS

- 9.1 Procurement Pilots Undertaken Utilizing Social Value (FCS24035) (City Wide) (Outstanding Business List Item)

10. DISCUSSION ITEMS

11. MOTIONS

12. NOTICES OF MOTION

- 12.1 Light Rail Transit Early Works Community Employment Benefits

13. GENERAL INFORMATION / OTHER BUSINESS

- 13.1 Amendments to the Outstanding Business List

- a. Items Considered Complete and Needing to be Removed:

- a. Hamilton Community Benefits Protocol Sub-Committee Update

Added: September 28, 2023 at Community Benefits Protocol Sub-Committee (Item 3)

Addressed as Item 9.1 on today's agenda - Procurement Pilots Undertaken Utilizing Social Value (FCS24035)

14. PRIVATE AND CONFIDENTIAL

15. ADJOURNMENT

Members of the public can contact the Clerk's Office to acquire the documents considered at this meeting, in an alternate format.



COMMUNITY BENEFITS PROTOCOL SUB-COMMITTEE MINUTES 23-001

9:00 a.m.

September 28, 2023

Room 264, City Hall, 2nd Floor
71 Main Street West, Hamilton, Ontario

Present: Councillors C. Kroetsch (Chair), T. Hwang, N. Nann, M. Tadeson
and M. Wilson
K. Andrus (Vice-Chair), M. Ellerker, V. Nikolskaya

**Absent
with Regrets:** K. Haggar

THE FOLLOWING ITEMS WERE REFERRED TO THE GENERAL ISSUES COMMITTEE FOR CONSIDERATION:

1. Appointment of Chair and Vice-Chair

(a) (Hwang/Nann)

That Councillor C. Kroetsch be appointed as Chair of the Community Benefits Protocol Sub-Committee for 2023-2024.

CARRIED

(b) (Hwang/Nann)

That K. Andrus be appointed as Vice-Chair of the Community Benefits Protocol Sub-Committee for 2023-2024.

CARRIED

2. Community Benefits Protocol Sub-Committee Terms of Reference (Item 9.1)

(Nann/Tadeson)

That the Community Benefits Protocol Sub-Committee Terms of Reference, be received.

CARRIED

**3. Hamilton Community Benefits Protocol Sub-Committee Update (HSC23026)
(City Wide) (Item 9.2)**

(i) (Hwang/Andrus)

That Report HSC23026, respecting Hamilton Community Benefits Protocol Sub-Committee Update, be received.

CARRIED

(ii) (Andrus/Nann)

(a) That staff be directed to report back on the Hamilton Community Benefits Protocol Sub-Committee respecting a summary of the pilots undertaken for social Request for Procurement (RFP); and

(b) That the report back include the 2019 Sandra Hamilton procurement report as an attachment.

CARRIED

**4. Realizing Community Benefits in the New HSR Transit Maintenance &
Storage Facility (Added Item 11.1)**

(Nann/Ellerker)

WHEREAS, The City of Hamilton is undertaking a significant public Infrastructure project under Contract Number C13-02-23 – a requirement for a General Contractor to construct a new Hamilton Transit Maintenance and Storage Facility (MSF) in Ward Three.

WHEREAS the construction of the second Hamilton Transit Maintenance and Storage Facility is a project which will benefit Hamilton's future transit initiatives for an overall benefit to the City.

THEREFORE, BE IT RESOLVED:

(a) That staff be directed to work collaboratively with the Contractor who, where practical and appropriate, will ensure that socially and environmentally responsible business practices are considered when employing workers and completing the work; and

(b) That whatever measures are taken by the Contractor will result in zero cost overages to the approved project budget.

CARRIED

FOR INFORMATION:

(a) CHANGES TO THE AGENDA (Item 2)

The Committee Clerk advised the Committee of the following changes to the agenda:

12. NOTICES OF MOTION

12.1 Realizing Community Benefits in the New HSR Transit Maintenance & Storage Facility

(Nann/Tadeson)

That the agenda for the September 28, 2023 Community Benefits Protocol Sub-Committee be approved, as amended.

CARRIED

(b) DECLARATIONS OF INTEREST (Item 3)

There were no declarations of interest.

(c) NOTICES OF MOTION (Item 12)

(i) Realizing Community Benefits in the New HSR Transit Maintenance & Storage Facility (Added Item 12.1)

(Nann/Ellerker)

That the Rules of Order be waived to allow for the introduction of a motion respecting Realizing Community Benefits in the New HSR Transit Maintenance & Storage Facility.

CARRIED on a 2/3rds Majority

For disposition of this matter, refer to Item 4.

(d) ADJOURNMENT (Item 15)

(Tadeson/Hwang)

That, there being no further business, the Community Benefits Protocol Sub-Committee be adjourned at 9:50 a.m.

CARRIED

Respectfully submitted,

Councillor Cameron Kroetsch
Chair, Community Benefits
Protocol Sub-Committee

Matt Gauthier
Legislative Coordinator
Office of the City Clerk



Hamilton Community Benefits Network: The Successes of Community Benefits Agreements

Prepared for
Hamilton Community Benefits Network

In

June 2019

By

Francis Olatoye
Frank Ong
Sureka Pavalagantharajah
Ilayda Ulgenalp
Hunster Yang

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Executive Summary

Community benefits are becoming increasingly popular in Ontario, particularly with the use of strategic tools including Community Benefits Agreements (CBAs). CBAs are used to ensure that affected residents will share in the benefits of major development projects. Through CBAs, community-identified priorities and needs can be addressed, promoting a more equitable and healthier community. CBAs can provide a range of advantages to communities, including but not limited to, local employment opportunities, training programs, job fairs, and green spaces.

The purpose of this report is to provide the Hamilton Community Benefits Network (HCBN) with a review and analysis of various case studies that have used CBAs. Specifically, CBAs in the United States and Canada have revealed various successes of CBAs in terms of outputs, results, and benefits achieved. Based on the findings, the report also provides recommendations for CBA best practices. In particular, recommendations for the City of Hamilton have been proposed, which includes the development of a formal, municipal-wide CBA Policy. In summary, CBAs provide a myriad of advantages, from providing local employment opportunities to affordable housing. CBAs can ultimately provide many positive outcomes for the City of Hamilton, as well as the local residents in and around the Hamilton region, fostering a healthier and more inclusive city for all.

Introduction

What are CBAs?

There has been a growing interest in community benefits in Ontario. Stemming from this, Community Benefit Agreements (CBAs) have been increasingly popular. CBAs are a strategic tool that is used when discussing the development of community wealth, specifically with the purpose of mitigating the impacts of gentrification on a community. They typically outline specific programmatic and material commitments and are used to develop infrastructure projects through a transparent and inclusive process. In the past, it has been common practice for large economic developments to be built without the consultation of the community that is directly impacted by such projects. Through the use of a CBA, these projects can be developed while also giving a voice to community members, especially those who have been excluded or marginalized (Galley, 2015).

CBAs are formed between various signatories, which differs based on the specific project. They are most commonly founded as a commitment between the government, contracting firm, and community. Neighborhood-based groups and other organizations representing causes, such as affordable housing and environmental sustainability, form a coalition that advocates on behalf of the community to the contracting firm. In return for a comprehensive CBA and community benefits, the community coalition usually agrees not to protest against or to actively support the completion of the development project (Baxamusa, 2008).

History & Origin of CBAs

CBAs originated in the late 1990s in urban redevelopment practice in the United States. With these redevelopment projects, money was beginning to flow back into the downtown core of cities that previously experienced unemployment and poverty. There was support from the local governments, as cities and states often granted public subsidies or tax exemptions in order for developers to more easily and quickly help these areas prosper. Though there were groups who opposed large-scale developments, there were leaders in the communities who began to emerge in support of these projects so long as they were implemented through an equitable and inclusive process. They realized the value in these projects and how they could be used to deliver community benefits, often relating to affordable housing, community and environmental improvements, and employment opportunities (Galley, 2015).

Los Angeles is thought to be the 'home of the CBA'. For example, a coalition was formed in 2001 in response to community concerns regarding the Staples Center project. This project envisioned a theatre, hotel, convention-centre expansion, shopping, and housing in the area, which meant increased noise, traffic congestion, and loss of homes. The area, at that time, was also experiencing high rates of poverty and unemployment. As a result, the Figueroa Coalition formed and included more than 30 community, environmental, labour, social-service and faith

groups. They negotiated an agreement which included a first source hiring program, living-wage requirements for 70% of project-related jobs, inclusion of affordable housing units, parks and recreation investments in the neighbourhood, and consulting privileges for the coalition on the choice of tenants for the development. After this large success, the Los Angeles coalitions have created several other significant CBAs, including the development of the public-sector Los Angeles International Airport (Saito & Truong, 2015).

Since this initial success, several other cities in the United States have begun developing coalitions and creating CBAs. For example, Milwaukee had land owned by several parties, both publicly and privately. The land had the potential to be developed, but there was no single developer or owner to negotiate with. Thus, a coalition formed and campaigned for the government to adopt a CBA county policy outlining clauses that would apply to any developer who eventually purchased and built on this land. This was referred to as the Park East Redevelopment Compact. With several successful projects, there are bound to be a few unsuccessful projects as well. There have certainly been projects that were negotiated but later cancelled due to bankruptcy or CBA-backed projects that became complicated by court battles. Still, though, the successes have demonstrated the potential that exists in CBAs and that is why their popularity continues to grow (Galley, 2015).

Though having started a couple of decades ago in the United States, CBAs are still a fairly new concept that is slowly spreading to Canada. In 2010, the Vancouver Olympic Village was built under a CBA. The negotiating body was created by pre-existing tripartite agreements between the federal, provincial, and municipal governments. In Ontario, CBAs began with the redevelopment of Toronto's Regent Park neighbourhood (Galley, 2015). This was one of Toronto's oldest public-housing developments that went through a large redevelopment scheme. Though there was criticism regarding the extent to which existing residents were involved in the discussions and negotiations, the CBA was ultimately successful. It incorporated a local employment plan, and the funding for developing a social enterprise (Paintbox Bistro) and community space (Daniels Spectrum Centre). Subsequently, several other CBAs were developed in Ontario for projects such as the Eglinton Crosstown Light Rail Transit and Woodbine Casino. Further discussions on specific successes in Ontario will be discussed in more detail in the 'Results' section of this report.

Research Question

This report aims to address the main research question: *What successes have CBAs had in terms of outputs, results, and benefits achieved?* In addition, based on our consultation with the community partner, the following sub-research questions have also been developed: (1) *What is the evidence for having a CBA policy in the City of Hamilton?*; (2) *What might a CBA look like in the City of Hamilton?*; and (3) *How could that policy apply to large scale private developments?*

Methodology

A literature review was performed in regards to previous CBAs, their development, and their successes. The majority of the review focused on grey literature, with reports, documents, and resources from various coalitions and organizations that have worked in the CBA space. In addition, a recorded, semi-structured interview with a key informant who had experience and knowledge on CBAs was also conducted over the phone (see Appendix A). During this interview, one of the authors took notes and summarized the main points from the interview. With the literature review and key informant interview, an analysis of various CBA case studies was conducted and recommendations have been made for CBA best practices and for the Hamilton City Council.

Findings

Through the review and analysis of several CBA case studies based in the United States and Canada, the successes and outcomes achieved from each are outlined below. A summary of the findings can also be found in Appendix B.

United States

Staples Center

Background

The Staples Center project, also referred to as the Los Angeles Sports and Entertainment District, was one of the largest economic projects in downtown Los Angeles. This project included the development of two major hotels, luxury condominiums, an office tower, a 7000-seat theater for live performances, a 14-screen movie theater, a convention centre expansion, and plazas for entertainment, restaurant, and retail businesses (Saito & Truong, 2015). The project was a \$2.5 billion investment and public subsidies were estimated to be \$150 million (Partnerships for Working Families, 2015). The project was completed in 2010 and covers a total of 27 acres (Saito & Truong, 2015).

Details of CBA

Los Angeles is thought to be the ‘home of the CBA’, and this project was thought to be the first comprehensive CBA in the United States which further “catalyzed a national movement” (Saito & Truong, 2015). Several other CBAs were modelled by the one created for the Staples Center project and has increased awareness about the benefits of CBAs as a part of an equitable development policy. The Figueroa Corridor Coalition for Economic Justice was formed by labor and community-based organizations in order to negotiate a CBA for the Staples Center project in May 2001 with the developer, Anschutz Entertainment Group (Partnerships

for Working Families, 2015). The aims were to include provisions for affordable housing, local hiring, and living wage jobs (Saito & Truong, 2015).

Achievements Thus Far

The Staples Center CBA was tremendously successful in negotiating and implementing community benefits (Partnerships for Working Families, 2015). These include:

1. Developer-funded assessment of community park and recreation needs, and a \$1 million commitment toward meeting those needs.
2. 70% of the jobs created in the project will pay the city's living wage, and consultation with the coalition on the selection of tenants.
3. First source hiring program targeting job opportunities to low-income individuals and those displaced by the project.
4. Increased affordable housing requirements, and a commitment of seed money for other affordable housing projects.
5. Developer funding for a residential parking program for surrounding neighborhoods.
6. Standards for responsible contracting and leasing decisions by the developer.

The residents who negotiated this CBA were primarily low-income minorities and undocumented immigrants. This CBA, along with the others that followed, began to demonstrate a shift in power to unions and the working-class. Through negotiating the Staples Center CBA, the developer gained support from service unions and community organizations. This was crucial as the opposition can result in development delays and reduction of profits, thus ultimately leading to termination of projects from litigation costs or project delays. Through changing policies and advocating for the community, this CBA was able to bring about benefits to the residents and profits for the developers (Saito & Truong, 2015).

Oak to 9th (also known as Brooklyn Basin)

Background

Oakland's first CBA was finalized in 2006 due to the redevelopment of 64 acres of waterfront property that created controversy amongst the residents. Planned for the site are more than 3,000 residential units and a retail complex (Partnership for Working Families, 2010). The agreement, entered into by the coalition members and the redevelopment agency, focuses primarily on affordable housing. This CBA was made possible by the collaboration of environment, labour, and faith organizations standing together, advocating for what they want as a community. The coalition, prioritized resident member meetings and surveys about the importance of affordable housing and job access for low-income families. As a result, the coalition won significant housing for low-income families (Partnership for Working Families, 2010).

Details of CBA

The Oak to 9th CBA focuses primarily on affordable housing, in which the agreement outlines that the units provided should be at no greater than affordable rent to households

earning 25-60% of area median income for at least 55 years from the first occupancy of the project units (Oak to Ninth Agreement, 2006). As well, the CBA ensures that no less than 25% of all project units are provided exclusively for seniors, no less than 30% of units must be 3 bedroom units, and no less than 20% must be two-bedroom units (Oak to Ninth Agreement, 2006).

Achievements Thus Far

Although, Oak to 9th project is still ongoing, there have been tremendous successes and promising changes have been made (Partnership for Working Families, 2010).

1. Currently, 465 out of 3,100 units are being built to make it affordable for families earning \$50,000 or less.
2. 116 units (approximately 25%) of the affordable units being built will be for senior housing.
3. 300 jobs created for Oakland residents who are just starting out their career in construction.
4. \$1.65 million of the project budget is allocated towards construction training programs to address the specific workforce barriers faced by immigrants and former prisoners re-entering the workforce.

Canada

Vancouver Olympic Village

Background

Vancouver remains one of the first Canadian cities in which CBAs have taken an established practice. Currently, Vancouver is the only city and British Columbia is the only province in Canada with a CBA policy effectively in place. This policy guides all forms of social procurement and infrastructure development in the province. However, the CBA principle started from the ground up – from when there was no principle, practice, or policy in place to when there is now one in place and in full practice.

The purpose of a CBA is to ensure that development brings improvement in the lives of people through local hiring and social procurement. With a quarter of Vancouver's residents living below the Low-Income Measure, the third highest rate of any city in Canada, and with the second highest income gap of any Canadian city, Vancouver's CBA policy attempts to ensure decent paying jobs across the life-cycle of development are more equitably distributed in communities (City of Vancouver, 2017). For Vancouver residents, the CBA policy emphasizes equity of opportunity for residents. This CBA Policy was introduced in 2018 for key public sector projects focusing predominantly on maximizing apprenticeship opportunities on major projects, increasing membership in unions, and in creating opportunities for employment and skill development for Indigenous people and women (City of Vancouver, 2017).

One of the most successful CBAs in Vancouver is the Vancouver Olympic Village site CBA. This CBA, however, was in place before the institution of the CBA policy. It's success likely played a part in the development and implementation of Vancouver's CBA policy. On September 24, 2007, a CBA was signed for the development of a 7-hectare site in Southeast False Creek, later to be called the Olympic Village site. Signed by Millennium Southeast False Creek (SEFC) Properties Ltd. (Millennium), the City of Vancouver, and Building Opportunities with Business Inner-City Society (BOB), this agreement outlined several commitments and targets that would ensure that this economic development project would deliver direct benefits to Vancouver's inner-city residents and businesses (Peachey, 2009). This property will house athletes and officials during the 2010 Winter Olympics and subsequently form the community, retail, commercial and residential hub of the newly developed SEFC neighborhood (Peachey, 2009)

It is important that this CBA is understood in the context of two earlier agreements. Firstly, the *Vancouver Agreement* is a historic agreement signed by Canada, the Province of BC, and the City of Vancouver in March 2000 (Vancouver Agreement, 2010). This initial 5-year agreement since extended to March 2010 is a much-lauded initiative to coordinate the efforts and resources of all three levels of government to support sustainable social, economic, and community development in Vancouver's inner-city (Peachey, 2009). Similarly, in 2003, the Vancouver 2010 Olympic Bid Corporation and its three government partners developed the *Inner-City Inclusivity Commitments* (ICI) formalizing the intent to maximize the opportunities and mitigate the potential impacts from hosting the 2010 Olympic Winter Games in Vancouver's inner-city neighborhoods (Vancouver 2010 Olympics, 2019). When the bid to host the Games was successful, the ICI was subsequently adopted by the Vancouver Organizing Committee (VANOC). Implementation of the ICI is a shared responsibility of VANOC, the City of Vancouver, the Province of British Columbia and the Government of Canada (Peachey, 2009).

Details of CBA

Based on the above context under which Vancouver Olympic Village site CBA was developed, the targets for the developer under the CBA were straightforward and concise.

1. **Direct hiring and employment:** Millennium (the developer) and its contractors will hire a minimum of 100 inner-city residents who have completed job training for entry-level positions.
2. **Training (indirect hiring) and procurement goals:** Millennium will contribute \$750,000 to Building Opportunities with Business Inner-City Society (BOB) to provide inner-city residents with job training and coaching and to support procurement goals. As well, Millennium and BOB will work cooperatively to procure \$15,000,000 worth of goods, products, equipment and services from qualified registered businesses located in or supportive of the inner-city.
3. **Supplier registration and referrals:** Millennium will encourage its major suppliers to register and work with BOB to maximize the benefits of business activities to the inner-city.

Achievements Thus Far

The Vancouver Olympic Village site CBA is one of the earliest success of CBAs in Vancouver and British Columbia province despite some controversies which surrounded the outcome of the deal between Millennium, City of Vancouver, and BOB (Building Opportunities with Business Inner-City Society) – the community partner. The success of this CBA has gone on to serve as a context for the development and engagement of further CBAs, as well as the institution of a CBA policy in the City of Vancouver. Specifically, the key successes of the Vancouver Olympic Village site CBA are:

1. **Employment program results:** According to data available, over 300 individuals were interviewed for participation in the Olympic village site employment program. Of these, just over 100 individuals were accepted for training (Peachey, 2009). Unsuccessful candidates were referred on or back to other programs and organizations. Of the people accepted into the program, 70% were inner-city residents while 30% were connected to the inner-city through agencies or other relationships (Peachey, 2009).
 - a. Participants in the program came from a variety of backgrounds. The largest group, 54%, self-identified as Canadian. Another 22% identified as Aboriginal, while 19% identified as status landed immigrants and 5% identified as status refugees (Peachey, 2009).
2. **Training program delivered:** In total, 6 pre-employment training sessions and 10 CORE training courses were delivered under the CBA (Peachey, 2009). Class sizes ranged from between 7 and 15 individuals. The first CORE session, dubbed CORE-Light was a 2 week course for participants with previous construction or related industry experience. CORE 1 through 8 were delivered as 6-week courses.
 - a. On average, 80% of candidates who entered into the program completed the courses and were provided the opportunity to work in the construction sector (Peachey, 2009).
3. **Employment created:** In total, 120 people were placed in construction jobs: 87 on the Olympic Village Site and 33 on construction sites elsewhere in the city (Peachey, 2009). Of the 120 individuals placed in jobs, 91 (76%) continued to work well past the 12-week employment threshold recognized by Canada Employment Standards (Peachey, 2009).
4. **Procurement program results:** Records show that Millennium and its subcontractors recorded almost \$42 million in spending to companies either located in the inner-city or supportive of the inner-city through various contracts and programs (Peachey, 2009). This figure far exceeds the \$15 million procurement target committed to in the CBA.
5. **Opportunities through Business Registry:** Records show that approximately half of the inner-city suppliers recorded by Millennium registered with the Construction Directory. However, only 3 of the 11 companies that supplied more than \$350,000 to the site chose to register with BOB (Peachey, 2009). It appears that for these larger suppliers neither the benefits of registering nor the imperative to do so (despite encouraging language in contracts between Millennium and its suppliers) were sufficient motivators (Peachey, 2009).

Parkdale

Background

Parkdale is considered to be one of the last affordable neighborhoods in downtown Toronto. However, this narrative is quickly changing, as the wealth divide between the Northern and Southern parts of Parkdale is at its highest (Statistics Canada, 2018). The rise in real estate and economic developments in Parkdale has led to a decline in tenants' rights and equity (e.g., unlawful rent increases, evictions, displacements). Furthermore, long-term and local businesses are being evicted due to large and unsustainable rental increases (Parkdale People's Economy, 2018). With such pressing issues, the Parkdale People's Economy, a network consisting of over 30 community-based organizations and hundreds of residents, created the Parkdale Community Planning Study to address the impacts of gentrification on community well-being in the neighbourhood. The Parkdale CBA, established in 2016, was one of the results of this study (Parkdale Community Economic Development, 2016).

Details of CBA

The Parkdale CBA was created to ensure equitable development in the neighbourhood by advocating for the community's needs and priorities (Parkdale People's Economy, 2018). Like all community benefits frameworks, the purpose of this is to ensure that developers, investors, and policymakers collaborate with key local stakeholders in the decision-making process to ensure that residents are benefitting from local economic growth. Specifically, the five key principles of the Parkdale CBA are:

1. **Equitable process:** "We support developments that benefit existing residents by meeting and prioritizing the needs of community members at risk of displacement."
2. **Affordable housing:** "We support developments that address housing justice by guaranteeing permanently affordable, accessible, and adequate units."
3. **Affordable commercial:** "We seek the creation and preservation of affordable commercial space for community agencies and locally-serving small businesses that reflect the character of Parkdale."
4. **Decent work:** "We support developments that address economic justice by creating decent work opportunities for equity-seeking community members in Parkdale."
5. **Community assets:** "We support developments that serve community needs and enhance community wellbeing by supporting community space and resources, health and food security, and social and natural infrastructure."

The CBA is specific and sets out a clear list of targets and demands that can be used by key stakeholders in negotiating and advocating for sound agreements (Parkdale People's Economy, 2018). The framework was specifically designed to be:

1. **Responsive:** The framework can be adapted based on the scale of development and investment.
2. **Proactive:** The framework provides a clear list of community-approved standards and demands.
3. **Community-driven:** The framework requires negotiations with the community and local accountability.

Achievements Thus Far

The Parkdale People's Economy has been officially recognized as the Neighbourhood Planning Table for South Parkdale, which has allowed for institutional support from the City of Toronto (Parkdale People's Economy, 2018). Since early 2017, it has played an instrumental role in ensuring the successes of the Parkdale CBA through the following ways:

1. **Building a coalition:** The group has engaged over 30 community organizations, three local anchor institutions, and 650 community members in discussions surrounding community benefits.
2. **Public education:** The group has held several panel discussions with a focus on development and community benefits.
3. **Community workshops:** The group has hosted community workshops on articulating demands, setting targets, and reviewing targets.
4. **Tracking and researching:** The group has been tracking public, private, and community-led developments in Parkdale to better understand the potential role of community benefits.
5. **Testing:** The group held neighbourhood assemblies on contentious developments to prepare and vote on a platform of demands for community benefits.

Finch West LRT

Background

Finch West LRT is a new 11-kilometre light rail transit line in Northwest Toronto with an expected completion date of 2023. A total of 18 new stops and stations with access and connections to the Toronto Transit Commission (TTC), GO Transit, MiWay, York Region Transit (YRT) and Züm, will be constructed and completed. Mosaic Transit Group was awarded the contract valued at \$2.5 billion on May 2018 to spearhead the project specifically the design, construction, finance and maintenance of the Finch West LRT (Infrastructure Ontario, 2018; Metrolinx, 2019).

Details of CBA

Metrolinx recognizes that major infrastructure investments should provide benefits for the communities including employment, apprenticeship, local suppliers, and social procurement opportunities. In collaboration with Infrastructure Ontario (IO) and the Ministry of Training, Colleges and Universities, Metrolinx is currently working with the Toronto Community Benefits Network (TCBN) to finalize a community benefits program for the Finch West LRT project by building on the same framework agreed on for the Eglinton Crosstown LRT (Metrolinx, n.d., 2019).

Achievements Thus Far

Given the delays in the project, currently, there are no milestones achieved regarding a CBA for Finch West LRT.

Eglinton Crosstown

Background

Line 5 Eglinton, announced in 2007, was part of the implementation of six other light rail lines across Toronto. (Crosslinx, 2016) The immediate goal was to leverage this \$5.3 billion infrastructure investment to create economic opportunities for residents from historically disadvantaged groups. (TCBN, 2017) This 19-kilometre corridor will include a 10-kilometre underground portion, between Keele Street and Laird Drive. The Crosstown will have up to 25 stations and will link to 54 bus routes, three subway stations and various GO Transit lines. (Crosslinx, 2016) It remains the largest transit expansion in the history of Toronto. In 2014, the TCBN and Metrolinx signed the Metrolinx CBA that committed to local hiring and social procurement in the construction of new transit in Toronto. Metrolinx expects Eglinton LRT to be completed by 2021. (Crosslinx, 2016)

Details of CBA

The five guiding principles of the Metrolinx CBA are listed below (TCBN, 2017):

1. Provide equitable economic opportunities that promote economic inclusion for all Toronto residents.
2. Contribute to the integration of skilled newcomers into professional, administrative, and technical jobs.
3. Support social enterprises and other related vehicles to economic inclusion through commitments to social procurement.
4. Contribute to neighbourhood and environmental improvements through building new transit infrastructure.
5. Ensure clear commitments and accountability from all parties to deliver.

Achievements Thus Far

There are various achievements associated with this CBA, which include (TCBN, 2017):

1. **Apprenticeship opportunities:** Crosslinx Transit Solutions (CTS) and partners have publicly committed to having historically disadvantaged residents perform 10% of all trade or craft working hours required to construct the Project.
2. **Opportunities to skilled newcomers:** CTS worked with service delivery agencies to establish a framework for hiring skilled newcomers. The target of hiring at least 50 newcomers have already been exceeded.
3. **Neighbourhood improvements.** Community groups also advocated for the preservation of the Kodak building as a historical site. The building will be incorporated into the design of the Mount Dennis LRT station, with part of the building earmarked for community use. The community also successfully organized against the construction of a gas power plant at the Mount Dennis station, which will be replaced by a battery system.

Moving forward, TCBN is looking forward to using future infrastructure investment dollars for community benefits, taking what they learned from the Eglinton LRT as a precedent.

As well, working with the communities involved to help start and continue the conversation related to housing and neighbourhood economic development through Eglinton LRT.

Gordie Howe International Bridge

Background

The Gordie Howe International Bridge is a project to develop a 2.5 kilometre, cable-stayed bridge, connecting the regions of Windsor and Detroit (WDBA, n.d.). The project aims to enhance transportation for international travellers, as well as provide jobs and opportunities for growth to the Windsor-Detroit region. Through public-private partnerships, this project uses collaborative efforts that involve community stakeholders at all levels.

Details of CBA

In 2012, the Government of Canada and the State of Michigan signed the Canada-Michigan Crossing Agreement, mandating the use of a CBA for this project (WDBA, 2018). Bridging North America is the organization responsible for including a robust CBA that will provide economic opportunities within the Windsor-Detroit region, contribute positively to workforce development programs, enhance economic inclusion, and deliver neighbourhood improvements. The CBA is based on community input and encompasses the principles of being integrated, collaborative, accessible, regional, and enterprising (WDBA, 2018).

This proposed CBA consists of two strategies: (1) The Workforce Development and Participation Strategy; and (2) The Neighbourhood Infrastructure Strategy. The Workforce Development and Participation Strategy focuses on providing employment opportunities for the workforce, training, and apprenticeships (WDBA, 2018). This strategy aims to employ workers or contractors within the City of Windsor, which would amount to at least \$250 million of the total value of the work. Additionally, it aims to engage and employ Indigenous Peoples within and around the City of Windsor, Essex County, and Walpole Island. Finally, the strategy will employ Detroit residents and work with Detroit-based businesses. The Neighbourhood Infrastructure Strategy consists of a \$20 million community infrastructure investment that will address the identified priorities that have been developed through community benefit consultations since 2015 (WDBA, 2018). The benefits include building community partnerships, mitigating the impacts of construction for nearby communities, community safety and connections (e.g., strengthening cycling infrastructure), economic benefits, and aesthetics and landscaping (e.g., community art projects, greenspaces).

Achievements Thus Far

Up to this time, the proposed CBA has led to significant community engagement. Specifically, community members were engaged through public meetings, focus groups, one-on-one meetings, emails, and letters. Since 2015, Michigan and Ontario residents, Indigenous Peoples, and community leaders have provided over 230 suggestions for community benefits (WDBA, 2018). The CBA is still not finalized yet, however Bridging North America has already started implementing various community benefits initiatives. For example, connections are

being made with local workforce agencies to promote job postings and employment opportunities (WDBA, 2018). Bridging North America is currently in the process of engaging with stakeholders, community members, elected officials, and businesses to undertake further consultations with the communities (WDBA, 2018). In summary, the development of this CBA has been and will continue to be a collaborative process, with active involvement from community members, Indigenous Peoples, and relevant stakeholders. The Gordie Howe International Bridge project aims to address community-identified priorities through the use of a CBA, providing key opportunities and positive outcomes for the Windsor-Detroit region.

Woodbine Casino & Rexdale Rising Movement

Background

“The Rexdale community has a lot to be proud of - this is a big step towards securing an agreement that can result in good jobs for local residents”. This was a statement made by Rosemarie Powell, the Executive Director of TCBN after the Rexdale – Casino Woodbine CBA was signed. The mobilization for the inclusion of local needs and benefits in major development projects in Ontario started about a decade ago. Rexdale's Community Organizing for Responsible Development (CORD) mobilized for local needs in a proposed major redevelopment at Woodbine (TCBN, 2018). Although the project did not materialize, the experience set the stage for a community benefits movement in Ontario. In 2014, the TCBN, a coalition of over 80 labour and community groups, successfully negotiated the first CBA in Toronto (TCBN, 2018) – the Community Benefits Agreement with Metrolinx for the Eglinton Crosstown transit project. The agreement with Metrolinx provided needed careers in construction trades and professional occupations for the Eglinton Crosstown Transit Project (TCBN, 2018).

In August 2017, Ontario Lottery and Gaming (OLG) announced that it had selected Ontario Gaming GTA LP (a partnership between Great Canadian Gaming, Brookfield Business Partners, and Clairvest Group) as the service provider for the existing slots and future casino at the Woodbine Racetrack in Rexdale (TCBN, 2018). This project includes the development of a casino, restaurants, retail stores, hotels, convention space, and a theatre. This development project is an estimated value of \$1 billion.

In April 2018, the City of Toronto signed a CBA with One Toronto Gaming, which operates the Casino Woodbine in the Rexdale district of Toronto. This CBA has been described as a decade long battle that has paid off for the Rexdale community (Nanji, 2019). Woodbine is a casino and horse racing track located in Toronto, Ontario. It is the only horse racing track in North America which stages thoroughbred and standardbred horse racing programs on the same day. Woodbine casino isn't a new venture. It has been in existence since 1956 when it opened its first set of race tracks to the public and was called the Woodbine racetracks. Since its opening, it has undergone several remodeling with no direct benefit to the community in which it operates.

Details of CBA

The goal of any community benefit agreement or public policy is to enhance both the quality of life and functionality of the society or neighborhood, thus making the community a better place to live, work and play for residents of such community. This is the context under which the Rexdale – Casino Woodbine CBA started. The Rexdale – Casino Woodbine CBA was driven by community, advocacy groups, organizations, and the City of Toronto efforts to mitigate the negative effects of expanded gaming and to leverage opportunities that benefit the Rexdale community and all equity-seeking groups across Toronto (City of Toronto, 2019a).

The Rexdale – Casino Woodbine CBA community mobilization and engagement started in November 2016 when developers held the first public meeting to introduce Woodbine Live, an entertainment/retail/residential development which they claimed would create thousands of jobs (Rexdale Rising, n.d.). To ensure real outcomes for residents, a community-labour coalition led by UNITE Here Local 75 and Community Organizing for Responsible Development (CORD) put the developers on notice as to their intentions for a CBA for the community (Rexdale Rising, n.d.). Even though the city gave approval for Woodbine Live, the development never did get off the ground. However, the community engagement and mobilization remained functional until 2017 when the Ontario Lottery and Gaming selected Ontario Gaming GTA LP as the operator for the Woodbine Casino – a curious case of preparation meets opportunity.

As part of continuous community engagement, the Rexdale – Casino Woodbine CBA includes an accountability structure that ensures community voices are represented by local residents and through local community agencies (City of Toronto, 2019a). One of the committees is the Community Steering Committee and includes two local residents - one resident is affiliated with the Kingsview Village while the other is affiliated with North Etobicoke Residents Council. Several agencies, including community funding organizations, employment agencies, and community health organizations are included in all three of the accountability committees (City of Toronto, 2019). Local residents and communities are also able to submit input and feedback through individual and agency representatives on any of the various committees, as well as through local neighborhood action planning such as the North Etobicoke Residents Council and Kingsview Village Action Planning tables (City of Toronto, 2019a).

The Rexdale – Casino Woodbine CBA includes specific requirements for One Toronto Gaming to achieve a range of social and economic outcomes, including local and social hiring for both casino operations and construction-related employment, local and social procurement opportunities, responsible gambling measures, a child care centre, and community access to use the event venue (City of Toronto, 2019a). The targets of the Rexdale Rising & Woodbine Casino CBA include:

1. **Local and social hiring targets:** Local hiring indicates employment opportunities for people who live in the Woodbine local area. Social hiring is associated with employing people who self-identify with an equity-seeking group or people who face unique barriers to employment, including Ontario Works clients.

- a. At least 40% of new hiring will be through local or social hiring, where at least half will be through local hiring.
 - b. In the first two years of expanded gaming, at least 40% of total employees will have full-time employment. After two years, 50% of total employees will have full-time employment.
 - c. At least 10% of overall hours worked by trades or craftspeople will be apprentices or journeypersons hired through local or social hiring.
 - d. Develop a 20-year Employment and Labour Market Plan that includes career laddering, recruitment activities, and scholarship opportunities.
 - e. Identify job opportunities for people with criminal records.
2. **International marketing plan.**
 3. **Responsible gambling measures:** One Toronto Gaming will maintain all existing responsible gambling measures as required by the Ontario Lottery & Gaming Corporation and the Alcohol and Gaming Commission of Ontario.
 4. **Local and social procurement:** Develop a Supply Chain Diversity Policy and Procedures. At least 10% of non-construction annual procurement through local or diverse suppliers.
 5. **Community use of space:** Develop policy and procedures for community access to space. At least one large-scale event per month (or 12 per year) in the entertainment venue for local community use at little to no cost.
 6. **Child care centre:** Contribute \$5 million towards developing a child care centre.
 7. **Accountability and monitoring structure:**
 - a. Community Steering Committee (convened by City of Toronto)
 - b. Casino Woodbine Responsible Gambling Oversight Committee (convened by Ontario Lottery & Gaming Corporation)
 - c. Employment & Labour Market Advisory Working Group (convened by One Toronto Gaming)
 8. **Public Reporting:** One Toronto Gaming to provide quarterly and annual progress reports to the public on all CBA commitments. There will be annual City staff reports to Toronto City Council, along with additional City staff reports (when necessary).

Achievements Thus Far

The Rexdale – Casino Woodbine CBA was signed by the City of Toronto in April 2018. Many of the targets in the CBA are to be met in 2022. However, early reporting to date states that the total new employees hired based on the expansion stands at 675. Of this said amount, 7.5% (50 hires) were local while 80% (540 hires) were social hires. All other elements of the CBA are on track (City of Toronto, 2019a). The city will provide regular yearly update on the progress of the CBA - the first report is expected in December 2019.

Hamilton LRT

Background

The Hamilton Light Rail Transit project proposes to construct 14 km of rapid transit service down existing streets in Hamilton's urban core. Passing along King St and Main St. from McMaster in the West End of the City to Eastgate mall in the East End of the city it will connect some of highest density areas in the city with an east/west Rapid Transit system. Travelling down the center of the road for most of the length the system will be curb separated, with a separate bridge over the 403, to provide 6-minute peak time service much faster than existing transit options. The line itself stretches through some of the most vulnerable neighbourhoods in the city. The project will require the procurement of up to approximately 90 full property acquisitions and 300 partial property acquisitions. Of the ~90 full property acquisitions 30 of the properties contain residential units (mostly in Ward 3). 15 of those units have been procured so far representing the displacement of 66 tenants, and the removal of 55 units of affordably priced units. Further information on displacement will be available as Metrolinx continues its property acquisitions.

Unlike other LRT/Metrolinx properties land acquisition has been a significant requirement for construction. The residents and neighbourhoods along the line represent high densities of marginalized residents. The increased challenge of rising property rates is already seeing displacement of low-income renters along the corridor. Coupled with the existing challenges of gentrification the potential for Community Benefits to directly improve the lives of those living on the corridor is very high. The project is currently in the RFP stage with the awarding of the RFP to one of the 3 project consortiums expected in Spring/Summer 2020. Current timelines still show project completion in 2024/25.

Details of CBA

CBA discussions between the Hamilton Community Benefits Network and Metrolinx/the City of Hamilton are ongoing. The project has encountered several political delays and weathered a change in government. The HCBN hopes to build on the success of the Toronto Community Benefits Network's LRT projects such as the Eglinton Crosstown and Finch West LRT to build a made in Hamilton Community Benefits Agreement. Early community conversations and resident engagement indicate displacement and affordable housing are major concerns with the Hamilton LRT project. Although the project brings with it challenges the HCBN believes only a strong community-based Community Benefits Agreement will maximize the benefits of this project for residents along the corridor and in the city as a whole.

Achievements Thus Far

Metrolinx and the City of Hamilton have already made some small steps towards supporting the community with early projects. Working with the Hamilton Chamber of Commerce the LRT Ready series is entering its second round of hosting education and information sessions for the businesses on the Corridor. The HCBN has started a community Arts Pilot project to animate

some of the procured property with a selection of community arts projects. The city of Hamilton in partnership with Metrolinx, in May 2016, launched a Community Connector project with the aim of visiting every affected property (nearly 1,400) on the corridor twice a year. The HCBN has been hosting community conversations, workgroups and undertaking stakeholder outreach to help shape the demands of a Made in Hamilton Community Benefits Agreement.

Current Policies

Ontario

The Planning Act and the Development Charges Act

In Ontario, there are currently two relevant tools within the Ontario *Planning Act*, which are under section 37 and section 42. Section 37 outlines that municipalities can trade exemptions from height or density restrictions to developers in exchange for community improvements (Government of Ontario, 1990). However, section 37 agreements do not usually include any consideration of jobs, wages, or hiring (Galley, 2015). It mainly focuses on heritage preservation, public art, childcare, park improvements, streetscapes, space for non-profit organizations, recreation centres, and affordable housing (City of Toronto, 2017). Of most importance, section 37 agreements are not CBAs as they are limited, are rarely community-based (i.e., targets are not defined by the community), and do not develop sustainable strategies to monitor and enforce community benefits (HCBN, n.d.). Further, section 37 agreements are more limited, only applying to projects that want to pursue exceptions from height or density restrictions. Section 37 agreements are not as comprehensive as CBAs, and as a result, the scope of benefits achieved are reduced. Therefore, section 37 of the *Planning Act* may provide 'benefits', however it is essential that there are stronger tools implemented beyond section 37 - such as CBAs - to ensure mutual benefits for the communities, themselves, are actually achieved.

Section 42 describes the conveyance of land for park purposes, requiring development to contribute to the expansion and enhancement of the municipality's parks and open space system (Government of Ontario, 1990). The amount of parkland required is based on the type and size of the development, along with its location. Specifically in terms of development for commercial or industrial purposes, section 42 requires 2% or 5% of the land to be conveyed for park or other public recreational purposes.

In addition to sections 37 and 42 of the *Planning Act*, there is another relevant, yet separate tool under the *Development Charges Act* (Government of Ontario, 1997). This allows municipalities to impose development charges against land to pay for increased capital costs due to increased needs for services arising from the development. Development charges include fees to cover the cost of infrastructure and supporting services, such as roads, transit, water and sewer, community centres, and fire and police facilities (City of Toronto, n.d.).

Development charges are paid at a set rate based on whether the development is residential or non-residential, along with the number and type of units.

Bill 108

Currently, the Ontario government is proposing to implement a new legislation Bill 108, *More Homes, More Choice Act* (Legislative Assembly of Ontario, 2019). This Bill aims to amend 13 different statutes that affect municipalities and land use planning processes. In particular, it impacts the three aforementioned tools – sections 37 and 42 of the *Planning Act*, as well as the *Development Charges Act*. Bill 108 seeks to increase housing supply in Ontario, however the proposed changes will influence the municipalities' capacity to secure parkland and funding to build community facilities, such as community recreation centres, libraries, and child care centres (City of Toronto, 2019b).

Under schedule 12, Bill 108 proposes to combine section 37, section 42, and certain development charges by introducing new community benefits charge by-laws. This would allow municipalities to impose community benefits charges against land to pay for facilities, services, and matters required to develop or re-develop the area (Legislative Assembly of Ontario, 2019). These community benefits charges will be capped to a maximum specified rate based on a percentage of land value, rather than per unit charge. As a result, this may result in lost revenue or investment delays, in which development will no longer be able to cover the cost of growth-related projects, such as child cares or community centres (City of Toronto, 2019b). Bill 108 proposes to alter how municipalities secure and construct new parks and recreation facilities, such that municipalities will no longer be able to require *both* land for parks and community infrastructure to support citizens (e.g., child cares, libraries) (City of Toronto, 2019b). Regarding development charges, due to the adjustments, Bill 108 will require municipalities to cover more upfront costs for 'hard' infrastructure, such as transit, water, wastewater and roads, and consequently this may result in delays of infrastructure that support development and growth (City of Toronto, 2019c).

Bill 108 poses to have huge implications for Ontario, including major increases in housing supply. However, many community members have also stated that there may be negative effects due to this Bill, especially in terms of community benefits (Pagliaro, 2019). Experts have indicated that with this new, capped system, parkland dedication and community benefits achieved will likely be reduced or not achieved at all (Pagliaro, 2019). The goal of having 'growth pay for growth' may not be accomplished, which merits municipalities to look more closely at CBAs as the tool to build beyond provincial development mandated charges.

British Columbia

City of Vancouver's CBA Policy

In Canada, Vancouver is the first major city to introduce a municipal-level CBA Policy. In September of 2018, the Vancouver City Council implemented a formal CBA Policy outlining that development projects that exceed 45,000 m² must follow the terms of a CBA (City of Vancouver, 2018). Before the establishment of this policy, CBAs in the City of Vancouver were not standardized, lacking predictability, effective implementation and monitoring (City of Vancouver, 2018). Through the lessons learned from past CBAs within the last decade, such as Parq Urban Resort and Casino pilot, this policy seeks to provide consistency for future CBAs with active collaboration between government, industry, and communities.

Specifically, the CBAs involve three main components: (1) first source hiring; (2) social procurement; and (3) supplier diversity (City of Vancouver, 2018). First source hiring refers to ensuring 10% of new entry-level jobs are made available to Vancouver residents, specifically those who are equity seeking. Social procurement includes the consideration of social and environmental impacts when purchasing goods and services from local businesses. Finally, supplier diversity refers to purchasing from organizations that are at least 51% owned by women, Indigenous peoples, visible minorities, members of the LGBTQ2S+ community, someone with a recognizable disability, immigrants, or refugees.

Further, this policy was informed by four lessons learned from past CBAs (City of Vancouver, 2018). Firstly, CBA implementation must be flexible and adaptable to maximize social benefits. For effective CBA implementation, it is also necessary to combine community knowledge and expertise with local industry knowledge. Moreover, labour procurement should be made a priority, especially if achieving material procurement targets are not feasible. Lastly, community benefits should extend beyond project construction and be embedded into long-term, ongoing operations.

The City of Vancouver's (2018) CBA Policy aims to guarantee that development projects would bring improvement in the lives of Vancouver residents, especially for equity-seeking groups. This policy also plays an active role in facilitating poverty reduction, with efforts placed on creating various pathways out of poverty. Ultimately, this policy aims to contribute to building a healthier and more inclusive city for all residents.

Recommendations

Based on the literature review and key informant interview conducted, the following are the best practices for developing and implementing CBAs in the City of Hamilton.

CBA Best Practices

1. Understand the priorities of the proposed community benefits.

- Develop a committee focused on community engagement to host public consultations with local residents.
- Include community members at the decision-making table right from the beginning, at a case-by-case basis.
- Establish connections with community residents to understand what their needs are.
- Engage with vulnerable populations to ensure their needs are being met and the concerns voiced. This may include women, Indigenous peoples, visible minorities, members of the LGBTQ2S+ community, individuals with a recognizable disability, immigrants, and refugees.
- Use diverse methods to engage with communities, such as public meetings, focus groups, one-on-one meetings, emails, social media, and letters.

2. Set specific and achievable targets.

- Targets should focus on community-identified priorities that are derived from community engagement processes.
- Targets are not limited to increasing local employment opportunities as they can be creative community-based benefits, such as improvements to or development of green spaces, community centres, public art, scholarship opportunities, and etc.
- Take into account targets that foster long-term benefits which will last even after the duration of the project.
- Set specific quantitative (e.g., percentage, dollar value) targets that are measurable so that progress can be evaluated and parties can be held accountable.
- Establish legislative bases for provision of community funds that will go towards the targets set by the community.

3. Consult and create an agreement with the contracting firm.

- Advocate for benefits to the community by leveraging specific benefits to the firm, such as zoning permits or support from the local community.

4. Re-assess and re-evaluate the effectiveness of the CBA.

- Establish a monitoring and evaluation framework for reporting target achievements.
- Develop methods to gauge and understand the challenges associated with targets.

5. Be transparent to the community throughout the entire process.

- Ensure to demonstrate the direct effects of CBA implementations to local residents.
- Follow up with community members to keep open, consistent lines of communication.
- Provide a clear framework for dispute resolution and enforcement.
- Make it accessible for community members to reach out to stakeholders.
- Ensure every city staff member working dealing with the project prioritize community benefits consistently.

- Provide ample opportunities for community members to voice their concerns before, during, and after the project.
- Demonstrate equity and fairness in fund allocation among communities depending on each community's unique needs and wants.

Recommendations for Hamilton City Council

The purposes of creating a CBA policy are:

- Creates a base standard, avoiding repetition in the initial negotiations each time a proposal is made.
- Avoids inconsistencies between agreements in different areas.
- Provides better standardization, predictability, and effective implementation and monitoring of CBAs.

We therefore recommend that the City of Hamilton develop a formal, municipal-level CBA policy with the following considerations:

- Establish a CBA Policy Working Group to drive the development and implementation of the CBA Policy.
- Require effective coordination and collaboration across sectors, cultures, and communities.
- Conduct a comprehensive analysis of past CBAs and their approaches, with a focus on lessons learned and public policy best practices.
- Utilize the lessons learned from past CBAs and adapt them to the current climate.
- Hold policy consultations within the City of Hamilton and nearby communities to ensure the voices of local residents are incorporated throughout the policy-making process.
- Engage with communities to determine the key community-identified needs that can be addressed by the CBA Policy.
- CBA Policy should ensure that all development projects, which fit particular requirements, are held accountable to specific standards including the use of a CBA.
- CBA Policy should aim to achieve goals aligned with community-identified needs.
- CBA Policy should have a strong focus on working towards equity, involving equity-seeking and marginalized groups.
- CBA Policy should place strong considerations on monitoring and evaluation of CBAs.

Conclusion

Community benefits agreements (CBAs) are a strategic tool that is used to ensure that affected residents will share in the benefits of major development projects. CBAs provide a mechanism that can address a myriad of community-identified needs that span from local employment opportunities and training programs to providing public community spaces. Through the literature review and key informant interview conducted, it is evident that CBAs have had numerous successes in terms of outputs, results, and benefits achieved. By analyzing

case studies in the United States and Canada, CBAs have shown to be an effective method of providing local employment opportunities, affordable housing, and community spaces. Further, based on the findings, recommendations for CBA best practices have been made. Notably, recommendations for the City of Hamilton have also been proposed, including the development of a formal, municipal-wide CBA Policy which would ensure greater standardization, predictability, as well as effective implementation and monitoring of CBAs in Hamilton. In summary, CBAs provide a wealth of advantages for all parties involved, ensuring that all community members - especially those who are underrepresented or marginalized - have a voice within large development projects. CBAs can ultimately provide many positive implications for the City of Hamilton, as well as the local residents in and around the Hamilton region, fostering a healthier and more inclusive city for all.

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Appendix A

Interview Guide

Format: Semi-structured, recorded, on the phone

Duration: 30 minutes

Questions:

- What has your experience been like in your involvement with CBAs in [removed]?
- How was the development process of getting to where we are now?
 - Who was involved in the development process?
 - How did you engage stakeholders? The community?
- What are some successes that you have had?
- What are some challenges that you've faced?
 - Did you have difficulties in convincing the City of [removed] officials to agree to CBAs? How did you work around that?
- What has been your experience in working around the by-laws?
- What will be your advice on how to proceed to establish a CBA in Hamilton?
- What are the early mistakes to avoid?
- What would you recommend for the City of Hamilton?
- How would you recommend setting up a CBA for the Hamilton LRT project?
- Do you have any resources and internal documents to share?

Appendix B

Table 1: Comparison of CBAs in Canada and the United States

Country	Project Name	Description of Project	Signatories	Successes
United States	Staples Center	<ul style="list-style-type: none"> - Large economic development focusing on plazas for entertainment, restaurants, retail businesses, and night-life - \$2.5 billion investment and \$150 million in public subsidies - Project completed in 2010 - Covers 27 acres 	<ul style="list-style-type: none"> - Figueroa Corridor Coalition for Economic Justice (formed by labor and community-based organizations) - Developer: Anschutz Entertainment Group 	<ul style="list-style-type: none"> - Negotiated community benefits including developer funded-community park, affordable housing, local hiring and living wage jobs - Catalyzed a national movement after having been the first successful and comprehensive CBA in the United States

	Oak to 9th (Brooklyn Basin)	<ul style="list-style-type: none"> - Brooklyn Basin will be built on 65 acres of waterfront property southwest of The Embarcadero between the Lake Merritt channel and 9th Avenue. - Providing affordable housing to low income families as well as seniors - Job and training opportunities for construction workers 	<ul style="list-style-type: none"> - Urban Strategies Council, - Asian Pacific Environmental Network, - East Bay Asian Youth Center - St. Anthony's Catholic Church 	<ul style="list-style-type: none"> - 465 units of housing affordable to families earning \$50,000 or less (considered very low- and extremely low-income households) - A majority of units will be family sized 2-3 bedroom units. - Jobs will be filled by Oakland residents just starting their apprentice hours in construction
Canada	Finch-West LRT	<ul style="list-style-type: none"> - 11-kilometre LRT line in Northwest Toronto - Contract valued at \$2.5 billion - Expected completion 2023 	<ul style="list-style-type: none"> - Mosaic Transit Group - Metrolinx - Government of Ontario 	<ul style="list-style-type: none"> - No milestones achieved given project delays
	Parkdale	<ul style="list-style-type: none"> - Parkdale Community Benefits Framework was established in 2016 to address the impacts of gentrification on community wellbeing in the neighbourhood 	<ul style="list-style-type: none"> - No official signatories as it is only a framework 	<ul style="list-style-type: none"> - Officially recognized as the Neighbourhood Planning Table for South Parkdale - Played an instrumental role in ensuring the success of the Parkdale Community Benefits Framework
	Eglinton Crosstown	<ul style="list-style-type: none"> - Light rail line under construction in Toronto - Metrolinx and Toronto Community Benefits Network sign a framework include local employment, 	<ul style="list-style-type: none"> - Metrolinx co-signed Community Benefits Framework with TCBN - Metrolinx's first community benefits program ever. Using 	<ul style="list-style-type: none"> - Already inspiring and encouraging other cities in the GTA to adopt a similar infrastructure projects

		<p>training and procurement on project</p> <ul style="list-style-type: none"> - Aim is to ensure the \$5.3 billion infrastructure project creates opportunities for residents in Eglinton area as well as people from different income brackets across city 	<p>this opportunity as a test drive</p>	<ul style="list-style-type: none"> - Giving ideas and examples of the policy framework to follow
	<p>Gordie Howe International Bridge</p>	<ul style="list-style-type: none"> - 2.5 kilometre, cable-stayed bridge connecting Windsor and Detroit - Aims to address community-identified priorities, providing sustainable and positive economic, social, and environmental benefits to communities in the Windsor-Detroit region 	<ul style="list-style-type: none"> - Government of Canada and State of Michigan signed the Canada-Michigan Crossing Agreement, requiring the use of a Community Benefits Agreement 	<ul style="list-style-type: none"> - Hosted numerous community consultations that actively engaged with Michigan and Ontario residents, Indigenous Peoples, and community leaders since 2015, having collected over 230 suggestions for community benefits - At least \$250 million of the total value of work during design-build phase will be performed by workers within City of Windsor region - \$20 million community infrastructure investment that will address community-identified priorities

	<p>Woodbine Casino & Rexdale Rising Movement</p>	<ul style="list-style-type: none"> - Expansion of the Woodbine casino - Building of two hotels, several restaurants and retail stores, a 4200 seat event venue and a 5000 square foot onsite training center. - Aims to address the negative effects of expanded gaming, and to leverage opportunities to benefit the Rexdale community through community development and local hiring of residents of Rexdale community. 	<ul style="list-style-type: none"> - One Toronto Gaming (owners of Woodbine Casino) and City of Toronto. Several advocacy groups were involved in the process however and were of immense impact to the eventual outcome of the CBA. 	<ul style="list-style-type: none"> - Early reporting to date as obtained from the City of Toronto shows that the total new employees hired based on the expansion stands at 675. Of this said amount, 7.5% (50 hires) were local while 80% (540 hires) were social hires.
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Municipal Social Procurement Policies in Canada: An Environmental Scan and Recommendations for Hamilton

Prepared for

Hamilton Community Benefits Network

In

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By

Amandeep Saini

Aiden McIlvaney

Ananya Yadav

Brooklyn Lanosky

Lena Wang

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Executive Summary

Social procurement policies and initiatives are being increasingly implemented in Canadian municipalities to create more equitable marketplaces and contribute to the overall well-being of communities. Social procurement refers to the process of strategically leveraging purchasing power to meet community development goals by including social, economic, cultural, and environmental impact measures within typical procurement processes.

While Hamilton currently does not have a social procurement strategy in place, interest in its development is growing. Thus, Karl Andrus, Executive Director of the Hamilton Community Benefits Network (HCBN) who is also a member of a sub-committee of the General Issues Committee at the City of Hamilton tasked with envisioning a social procurement policy, commissioned this project at the McMaster Research Shop (RShop). The purpose of this project was to investigate social procurement policies in other comparable jurisdictions, and collect feedback from the Hamilton community on what they would like to see included in a policy to promote its success. A jurisdictional scan drawing on policy reports and academic literature was conducted, in addition to interviews with municipal staff from other cities and local social enterprises.

Key recommendations for Hamilton are presented in this report based on the investigation findings:

Stage 1: *Developing the Policy*

1. Conduct multiple one-time, small-scale pilots to test community employment benefits, community benefits agreements, and different types of social procurement initiatives within Hamilton
2. Champion the social procurement movement in and outside of the City of Hamilton
3. Create dedicated full-time and part-time roles to oversee social procurement
4. Conduct meaningful community engagement by hosting educational events, social procurement conferences and by collecting constant feedback from stakeholders
5. Identify and meet the needs of social enterprises to support participation in social procurement
6. Conduct a scan of the current policy landscape, and develop a standardized social procurement policy that considers the nuances of the local context
7. Develop an open-access training and resource hub to strengthen the social procurement ecosystem through tools, resources and support
8. Integrate social procurement intentionally into procurement planning
9. Implement inclusive strategies for supplier engagement
10. Determine (and periodically re-evaluate) definitions of 'diverse' suppliers
11. Conduct in-depth engagement with stakeholders, broader communities and target groups around a proposed social procurement framework
12. Pilot a social procurement framework in Hamilton
13. Develop and streamline evaluation processes for the procurement framework

Stage 2: *During and After Implementation*

14. Establish a publicly accessible directory of social enterprises:
15. Support social enterprises in obtaining necessary certification
16. Prioritize transparent and accessible reporting of the implementation and outcomes of social procurement policies

The results of this project demonstrate that the development of a social procurement strategy in Hamilton will accelerate the attainment of desired social, economic, and environmental outcomes in a manner that engages the local community. However, further community consultations will need to be conducted to develop, pilot and maintain social procurement initiatives that meet the specific needs of Hamilton.

Introduction

The Hamilton Community Benefits Network (HCBN) “envisions Hamilton as an inclusive, thriving city in which all residents have equitable opportunities to contribute to building healthy communities and a prospering economy” (HCBN, n.d.). In pursuing this mission, the HCBN advocates for the use of Community Benefit Agreements (CBAs) in city infrastructure projects. CBAs are agreements between governments, developers and coalitions of community organizations that address a range of community concerns and needs, including (but not limited to) ensuring residents benefit from major developments (Mohammad et al., 2022).

The HCBN also aims to foster local workforce and economic development by advocating for broader policy change. Recently, the HCBN has begun calling for the introduction of social procurement policy and initiatives in Hamilton that will benefit local entrepreneurs. Karl Andrus, the Executive Director of HCBN, sits on a sub-committee of the General Issues Committee at the City of Hamilton, tasked with envisioning a social procurement policy to support Hamilton’s social enterprise ecosystem. In the fall of 2023, the HCBN and the committee commissioned the McMaster Research Shop (RShop) to investigate the following research questions: (1) What are the social procurement policies, if any, of Canadian municipalities comparable to Hamilton?; (2) How, if at all, are these procurement policies supporting social enterprises in their city?; and (3) Based on these findings, what are some recommendations for introducing social procurement policies in Hamilton? The HCBN and committee aim to use this research to support a report back to council on the development of a social procurement policy.

The research project involved a jurisdictional scan drawing on policy reports and academic literature to examine policies in other municipalities. Additionally, it entailed interviews with municipal staff from other cities, as well as Hamilton-based social enterprises to gather feedback for the development of a social procurement policy for Hamilton. The background, methods, findings, and recommendations of this project are outlined further in this report.

Background

To contextualize and understand the findings of this project, it is first important to understand what the terms “community benefits” and “social procurement” mean.

Defining Community Benefits

“Community benefits” refer to social, economic, or environmental outcomes that municipalities and/or private businesses commit to delivering to local communities during development projects or business activities ([Alwani, 2018](#)). Community benefits aim to provide wider socio-economic value to residents, while mitigating negative impacts of economic activity, such as driving employment or income disparities. Accordingly, community benefits often aim to prioritize the interests of equity-deserving groups, who have otherwise been marginalized and excluded from development or business activities ([Buy Social Canada, 2018](#)).

Community Benefits Agreements (CBAs)

Community Benefit Agreements ensure specific social value outcomes such as inclusive hiring, local hiring, and local/social procurement, and are legally binding contracts between governments, developers, and community-based organizations detailing communities’ benefits from major infrastructure and development projects. CBAs are associated with numerous benefits, including an increased supply for skilled labour, enhanced project planning, and mitigation of community issues ([Buy Social Canada, 2023](#)). CBAs outline commitments to specific actions, targets, and/or outcomes in order to address a range of community concerns and demands, such as by ensuring local residents benefit from a project ([Buy Social](#)

[Canada, 2018](#)). Examples of projects with CBAs which secured numerous social, economic, and environmental benefits in Canada include the [Vancouver Olympic Village](#), the [Eglinton-Crosstown and Finch-West LRT](#), and the [Rexdale-Woodbine Casino](#).

History & Origins of CBAs

The first Community Benefit Agreements emerged through urban redevelopment projects in the late 1990s, United States. At this time, local governments believed the faster developments could proceed, the faster communities could become rehabilitated. Cities and states granted large public subsidies and/or tax exemptions to rehabilitation projects, which resulted in an increasing trend of public support for development projects. Leaders began emerging amongst these supporters, who went on to form community coalitions to negotiate the community benefits of these developments, in order to ensure equity returning to downtown cores ended up in the hands of those who needed it most.

While CBAs first gained popularity in the U.S (Galley, 2015), Canada has since followed suit. Vancouver introduced its first Community Benefit Agreement framework in 2005, and now all levels of Government in Canada are either in the process of exploring, creating, or have already adopted standard policies for CBAs. The Federal Government launched its Community Benefits Initiative in 2018, which provides employment and procurement opportunities for apprentices, Indigenous Peoples, women, persons with disabilities, veterans, youth, newcomers to Canada, small and medium sized enterprises and social enterprises. Additionally, Vancouver recently became the first major city in Canada to establish a municipal-level Community Benefit Agreement policy, with other municipalities including the City of Victoria and City of Toronto soon to follow (City of Vancouver, 2018).

While CBAs are a popular tool for ensuring specific community benefits, the term “community benefits” encompasses a wider range of societal benefits that can be achieved through a variety of programs, policies, and other endeavors.

Types of Community Benefits

The types of community benefits part of a business or development project depends on the project and community’s needs. Some examples of municipal social, economic, and environmental community benefit commitments embedded in various projects are outlined below:

Examples of Social Benefits

- The City of Ottawa is in the pilot stage of introducing an **end-of-life laptop program**, which distributes decommissioned city laptops to those in need
- A **community hub and art center** was included as part of a Community Benefits Agreement for the Finch-West Light Rail Transit (LRT) project in Toronto

Examples of Economic Benefits

- A Community Benefits Agreement for the Eglinton Crosstown Light Rail Transit (LRT) project in Toronto included a commitment to having **historically disadvantaged groups employed for 10% of all trade working hours** required to construct the project and hiring at least 50 skilled newcomers to Canada
- During construction of the Vancouver Olympic Village for the 2010 Olympic Games, developers and the city committed to ensuring \$15 million of **goods, products, equipment, and services would be obtained from businesses located in or supportive of the inner-city of Vancouver**

Examples of Environmental Benefits

- The City of Winnipeg recently committed to a transition to a **zero-emission** bus fleet by 2050, which will benefit both the environment and health of commuters (Canadian Collaboration for Sustainable Procurement, 2022)
- Under Ontario’s Planning Act, municipalities are permitted to negotiate with developers to secure **parkland dedication**

Planning for community benefit initiatives to be embedded in city planning is essential for building equitable and sustainable cities that drive positive economic growth for community members. The City of Ottawa provides an example of a community benefit initiative. The City of Ottawa has participated in negotiations with private developers such as Manor Park Estates, to promote and support the provision of affordable housing. An additional 3218 rental units are proposed in the Official Plan Amendment (OPA), to be constructed over a period of 50 years under a No Displacement policy. This policy includes measures such as offering residents relocation in a unit of similar size (including number of bedrooms), prior to construction of each phase. Additionally, they have designated “secure affordable” housing, starting at a minimum of 10% for a period of 20 years. Further, the developer will voluntarily work to advance Community Benefits Agreements alongside relevant community stakeholders.

Community benefits can often result from policy frameworks enacted at various levels of Canadian government, addressing a diverse ray of concerns. For example, the *Ontario Infrastructure for Jobs and Property Act* 2015 promotes the inclusion of community benefits in all major infrastructure projects in the province. At the municipal level, some cities, such as the City of Toronto and the City of Vancouver, have implemented a city-wide Community Benefits Framework and Policy respectively, serving as an overarching guide to the inclusion of community benefits in various municipal projects ([City of Vancouver, 2018](#); [City of Toronto, 2023a](#)). Increasingly within cities, community benefits are often implemented in municipal projects using Community Benefit Agreements (CBAs).

Defining Social Procurement

The process of purchasing and acquiring goods and services from external sources for organizational activity is known as procurement. Social procurement leverages purchasing power to achieve social, economic, cultural, and environmental goals ([Buy Social Canada, 2022](#); [City of Toronto, 2023a](#); [Government of Canada, 2021](#)). It encourages consideration of values such as diversity and sustainability of suppliers, creating a more equitable marketplace and contributing to the overall well-being of communities. A non-exhaustive list of benefits that may be experienced with the implementation of social procurement policies include:

- **Increasing diversity** in the marketplace by actively engaging with suppliers from various backgrounds
- **Leveraging opportunities and strengthening the workforce** by hiring community members facing barriers to employment
 - Social enterprises such as Hamilton’s Threshold School of Building, run programs connecting local disadvantaged youth to co-op opportunities in construction
- **Enhancing employment opportunities and skill development** by partnering with suppliers who hire from local communities and provide training to support skill development
 - Social procurement policies may include allocations to support investments in training programs, apprenticeships, and educational initiatives

- **Promoting sustainability** and reducing environmental impact in municipal procurement by prioritizing suppliers with strong environmental practices
- **Helping enterprises reduce their environmental footprint** by providing meaningful guidelines for sustainable practice
- **Contribute to community development** through the allocation of spending to community projects
- **Promoting fair labor and wage practices** by selecting suppliers with strong ethical standards
- Supporting the **growth of small and medium enterprises** by creating more equitable opportunities for enterprises wishing to bid on municipal contracts
- **Fostering innovation** by allocating spending to advance technology-sharing and knowledge transfer

An example of social procurement can be found in the Peterborough Bike Racks project. The City fostered a collaboration with a local welding business to create custom bike racks, saving on shipping, installation, and environmental costs while increasing economic activity in the community.

Social procurement is increasingly prioritized as a community benefit in national and municipal policy and projects, as demonstrated by the findings of this report. For instance, the City of Toronto has a Social Procurement Program promoting supply chain diversity and workforce development initiatives. Social procurement has also been included in several successful CBAs, such as for the Finch-West LRT. Additionally, the Vancouver Olympic Village CBA outlined that \$15 million of goods, products, equipment, and services would be obtained from businesses located in or supportive of the inner city of Vancouver. This agreement also included the allocation of \$750,000 towards employment training for inter-city residents to support these social procurement goals.

Furthermore, in 2018 the Government of Canada launched an elective **Community Employment Benefits initiative** under the Investing in Canada Infrastructure Program. The initiative provides participants with a framework for establishing project targets to provide training, employment, and/or procurement opportunities to at least three target groups, including apprentices, Indigenous peoples; women; persons with disabilities; veterans; youth; recent immigrants; and small to medium sized social enterprises. The Community Employment Benefits initiative also provides reporting on results to ensure targets are met and allows flexibility for provinces and territories to enforce goals specific to local targets ([Government of Canada, 2018](#)).

General Trends Across Canada

The [Buy Social Canada 2022 Client and Partner Survey](#) reveals crucial insights into the landscape of social procurement across Canada. Social procurement is emphasized as an evolving journey, with the organization's clients and partners at various stages. While some are in the development or piloting phase, others are actively engaged in internal education and cultural shifts. The survey underscores the importance of continuous testing, learning, and improvement for the success of social procurement practices. Notably, there is substantial stakeholder and public support for social procurement frameworks and policies. However, challenges include limited access to resources and technology for identifying social enterprises, low staff capacity, competing priorities, and decentralized procurement practices hindering measurement. The survey suggests a need for ongoing reporting of implementation and outcomes to address these challenges and foster the growth of social procurement initiatives.

Social Procurement in Hamilton

Currently, no formal social procurement or policy exists for the City of Hamilton. However, the current policy context of the city indicates room for this in the future. Although the city's procurement policies are outlined in by-law number 22-255 ([City of Hamilton, 2022a](#)), there is no explicit discussion of social procurement in this document or on the municipal website, <https://www.hamilton.ca/>. However, social benefits are touched upon indirectly in the procurement goals and objectives. This includes the equitable treatment of all vendors and a key focus on the procurement of goods and services that promote environmentally friendly practices and preservation ([City of Hamilton, 2022b](#)). Additionally, in 2020, the Hamilton City Council established the Mayor's Task Force on Economic Recovery to provide multi-sectoral recommendations to guide sustainable and equitable economic recovery during and after the COVID-19 pandemic ([Report of the Mayor's Task Force on Economic Recovery, n.d.](#)). One suggestion included ensuring that "the city leads with social and local procurement".

On a broader scale, Hamilton has been involved in regional community benefits and social procurement initiatives such as the Metrolinx Community Benefits Framework, co-signed with the Toronto Community Benefits Network. The Framework provides employment, training and apprenticeship, and social procurement opportunities for local enterprises, as well as additional measures to mitigate impacts on local communities and businesses ([Metrolinx, n.d.](#)). This project provided valuable insights into developing and implementing future community benefit agreements ([Campbell et al., 2019](#)).

Additionally, organizations such as the Hamilton Community Benefits Network are advocating for greater integration of social procurement in Hamilton. Such organizations foster networks that include purchasers, social enterprises, policymakers, social and workforce development organizations, academic institutions, and other system stakeholders to identify social procurement opportunities. Moreover, they provide various supports, such as technical knowledge, to support the development of social procurement programs ([Campbell et al., 2019](#)).

Thus, while there is no formal social procurement policy or program at the City of Hamilton currently, there are indications for interest in leveraging social procurement in municipal programming. Thus, this project plays a role in understanding how social procurement policy can be developed and implemented, while highlighting the hopes and desires of local social enterprises in the city.

Methods

Research Question

This project aimed to address the following primary research question developed in consultation with the community partner, HCBN: "**What are the social procurement policies, if any, of Canadian municipalities comparable to Hamilton?**" This project also explored the following secondary questions:

- *How, if at all, are these procurement policies supporting social enterprises in their city?*
- *Based on these findings, what are some recommended social procurement policies for Hamilton?*

Phase A: Jurisdictional Scan

The jurisdictional scan's purpose was to identify municipalities and organizations with social procurement initiatives and then identify key features that can support the development of policy recommendations for the City of Hamilton. The first phase of this report involved a jurisdictional scan of social procurement policy documents and reports from municipalities that implemented or are implementing social procurement policies. Reports were also reviewed from relevant non-profit organizations that advocate for social procurement. The Hamilton Community Benefits Network provided various documents and the

research team independently identified and acquired additional documents by surveying municipal websites. Supplemental research materials, such as newspaper articles, academic publications, and webpage articles, were collected and analyzed to help highlight the tangible impacts of the identified primary source reports and policies.

From municipal documents and reports, the research team extracted the following information regarding municipal social procurement policy:

- Location (where the social procurement policy is implemented/planned to be implemented),
- Stage of the policy development/implementation,
- Date the policy came into effect,
- Features of the policy,
- Who the policy aims to benefit,
- Interrelated policies shaping social procurement (e.g., supply-chain diversity, Indigenous inclusion, environmental responsibility & sustainability, social hiring)
- Community engagement strategies used to develop and implement the policy,
- Strengths, benefits, impacts, limitations, and drawbacks to the policy,
- Challenges the policy had to overcome, and
- Emerging results-

After compiling the information, the team analyzed this information to identify features of the policies and relevant opportunities and challenges with implementation.

Phase B: Interviews

Interviews with municipal staff helped build on the jurisdictional staff to include first-hand accounts of the operations, administration, and effects of social procurement policies. Likewise, interviews with community stakeholders who have a vested interest in social procurement helped elucidate community policy preferences and how social procurement initiatives tangibly support local enterprises. After the initial jurisdictional scan was complete, the research team began interviewing participants from and outside of the City of Hamilton to gather feedback on what a Hamilton social procurement policy might entail. Interview participants included municipal staff from the City of Toronto and the Region of Peel involved in social procurement strategies, and community stakeholders who advocate for, or would be affected by, social procurement policies in Hamilton, such as Welcome Inn Community Centre, New Hope Bikes, 541 Eatery and Exchange and Threshold School of Building.

Interviews were semi-structured, with interview guides consisting of open-ended questions. For municipal staff, questions focused on their City's social procurement policies, the strengths and weaknesses of these policies, and recommendations for Hamilton on policy development and implementation. For community stakeholders, the research team asked questions regarding features participants believed should be included in social procurement policies and next steps Hamilton could take regarding a social procurement strategy. Interview questions can be found in Appendix I & II. Thematic analysis was conducted on interview data to surface key findings and recommendations.

Jurisdictional Scan Findings

This jurisdictional scan is outlined as follows: first, it provides an overview of the municipalities and programs examined as outlined in Table 1. It then discusses the specific goals of social procurement, mainly, social enterprise, supply-chain diversity, Indigenous inclusion, and environmental responsibility and sustainability. Next, it delves into the specific social procurement policies and initiatives undertaken by municipalities, organized by their relevance to the City of Hamilton. While some municipalities have

implemented or are attempting to implement social procurement policies, many facets of these policies are being advocated for by external organizations. For example, the Canadian Collaboration for Sustainable Procurement provides policy frameworks on social procurement for adoption by municipalities. It also assesses the implementation of social procurement policies in community benefit initiatives. Examples of policy adoption include Winnipeg’s transit overhaul and Ottawa’s end-of-life laptop program. Additionally, British Columbia’s Social Procurement Initiative, a framework providing municipalities in the province with guidance on piloting and expanding procurement initiatives, was examined.

Table 1. Municipal social procurement policies examined and stage of development/implementation

Municipality/Program	Stage of Development/Implementation
Toronto Social Procurement Program	In 2013, a poverty reduction strategy was developed by the City of Toronto and set the groundwork for the introduction of a social procurement policy, which was brought forward in 2016.
Vancouver	Came into effect in 2018
Wood Buffalo	Came into effect on September 15, 2021 (scheduled for review on September 15, 2024, to allow for the possibility of an update for increased comprehensiveness)
Peterborough Social Procurement Program	Came into effect on September 26, 2023
Winnipeg	Began implementing social procurement policies in 2022, following a year-by-year implementation plan with policies expected to be fully implemented in 2025
Brampton	City Council endorsed a social procurement policy in 2020; currently following a year-by-year implementation plan with policy expected to be fully implemented between 2025-2026
Edmonton Sustainable Procurement Strategy	Came into effect in 2010; reviewed in 2019, 2022 and scheduled for review in 2025
Peel Region	Implemented Corporate Social Responsibility guiding principles in 2017. However, procurement was not a key focus. Social procurement has since gained support from executive leadership and the region is currently piloting a social procurement program.

Goals of Social Procurement Policy

While many of the social procurement policies adopted or pursued by municipalities studied were designed to meet the specific needs of their respective communities, these policies had several universal guiding principles applicable to Hamilton.

Social Enterprise

Different municipalities and organizations have varied definitions of what constitutes a social enterprise, but generally, they can be understood as businesses that attempt to maximize social output in the pursuit of commerce. Buy Social Canada offers a more precise definition, where social enterprise is “a business that generates a significant portion of its revenue through the sale of goods or services, embeds a social, cultural or environmental purpose into the business, and reinvests 51% or more of profits into the social, cultural or environmental mission” (Buy Social Canada, 2023). For example, a company may seek to employ workers from underemployed communities. In this light, social procurement seeks to support social enterprises in their pursuit of generating social outputs. A practical example would be a municipality

that prioritizes procuring goods and services from a social enterprise that employs people from underemployed communities or employs people from groups that have historically been disadvantaged. Such social procurement activities allow social enterprises to sustain their practices of maximizing social outputs, which may not be possible without social procurement.

Supply Chain Diversity

A core feature of many social procurement policies is the diversification of municipal supply chains. Vancouver's social procurement policy seeks to ensure greater inclusion of 'equity-seeking groups' in employment and procurement of goods and services. Likewise, Toronto's social procurement policy promotes procurement from 'diverse suppliers,' defined by the City as businesses that are 51% or more owned by an equity-seeking group. Additionally, City representatives explained that Toronto requires businesses to be recognized by five councils (i.e. Canadian Aboriginal and Minority Supplier Council, Women Business Enterprises Canada, Canadian Gay and Lesbian Chamber of Commerce, Canadian Council for Aboriginal Business, and the Inclusive Workplace Supply Council of Canada), who themselves have their own definitions of 'diverse supplier.' Thus, it is important to recognize different municipalities and organizations may have differing criteria for determining diversity.

Indigenous Inclusion

Another core feature of many municipal social procurement policies was inclusion and support for Indigenous persons. A notable example is Wood Buffalo's social procurement policy which prioritizes procurement from Indigenous businesses, defined as businesses 51% or more owned, controlled, or operated by Indigenous persons, for purchases less than \$10,000. Although in its implementation stage, a key pillar of Winnipeg's social procurement policy is increasing the city's reliance on procurement from Indigenous businesses. Edmonton plans to implement an 'Indigenous Procurement Framework' to address barriers experienced by Indigenous persons and increase Indigenous participation in municipal social procurement practices.

Environmental Responsibility and Sustainability

Environmental responsibility and sustainability are core features of municipal social procurement policies. Winnipeg's social procurement policy seeks to improve environmental integrity through Indigenous knowledge, resource preservation, and reuse. Edmonton's pursuit of a social procurement policy seeks to include environmental sustainability as a requirement in supply chain management processes and purchasing procedures. Brampton and Peterborough have identified environmental sustainability as core goals of their social procurement strategies. The Region of Peel has staff dedicated to introducing and measuring sustainable technologies and processes in municipal projects.

Strategies for Social Procurement

This section synthesizes and discusses the various social procurement policies adopted and promoted by municipalities and organizations, including their key features. The following strategies are organized based on comprehensiveness and robustness, from most to least.

Toronto

The City of Toronto adopted its social procurement program in March 2016, making it one of the earliest municipalities in Canada to develop and implement a social procurement strategy ([City of Toronto, 2023a](#)). Since its implementation, the program has awarded \$4.5 million worth of City contracts to diverse suppliers. According to interviews, the City works with the Canadian Aboriginal and Minority Supplier Council, Women Business Enterprises Canada, Canadian Gay and Lesbian Chamber of Commerce, Canadian Council for Aboriginal Business, and the Inclusive Workplace Supply Council of Canada to identify certified diverse suppliers. The City has defined criteria for diverse suppliers including certification as well

as verification that it is at least 51% owned, managed, and controlled by an equity-deserving community or social enterprise. This includes communities such as women, Indigenous persons, racial minorities, persons with disabilities, newcomers, and LGBTQ+ persons ([City of Toronto, 2023a](#)). According to interview information, despite several years of implementation, social procurement policy continues to be reviewed. Toronto's social procurement policy focuses on supply chain diversity, improving low value procurement opportunities, and advancing the purchasing by-law to be more aligned with the purchasing agreement of the City.

Components of Social Procurement Program

There are two key components of the city's social procurement program, the official '**social procurement policy**' and '**tools, guides, and support systems**' to facilitate the program. The city's official 'social procurement policy' is premised on the diversification of the municipality's supply chain and workforce development. 'Tools, guides, and support systems,' aims to make it ease staff facilitation of the program, such as creating pre-approved procurement documentation, collecting & maintaining a diverse suppliers list, and implementing a supply chain management system to collect data related to procurement spending ([City of Toronto, 2023a](#)).

Regarding supply chain diversity, the City of Toronto maintains an approved list of diverse suppliers. For Divisional Purchase Orders between \$3,000 and \$100,000, Toronto's official social procurement policy encourages city staff to include at least one quotation from a diverse supplier. This primarily means acquiring necessary goods and services from small or medium-sized businesses that are owned and/or operated by equity-seeking groups. Bidders seeking contracts valued at \$100,000 and above are encouraged to develop their own supplier diversity program within their supply chains. The city provides suppliers guidance on how to meet these diversity requirements. In instances of tied bids, contracts are awarded to the diverse suppliers.

For workforce development, the city's social procurement policy begins by identifying planned procurement projects with an anticipated value of over \$5 million ([City of Toronto, 2023a](#)). Once these high-value projects have been identified, the city will assess these projects based on the principles of 1) suitability, 2) reach, 3) volume, and 4) feasibility. The city subsequently prioritizes and selects procurement projects for inclusion of workforce development based on such criteria.

As part of the procurement process, successful bidders or proposals are required to provide the city with a commitment to workforce development ([City of Toronto, 2023a](#)). These include outlining types of strategies that can be proposed as a workforce development plan and how they align with the principles of suitability, reach, volume, and feasibility. City staff subsequently verify whether such strategies align with the four principles. In situations where, over a period of three years, successful bidders fail to implement their workforce development plan as agreed upon by the city in two instances or more, that bidder in question is barred from conducting business with the City for a period of two years.

Policy Maintenance and Repair

It is important to note that any social procurement policy must comply with domestic law, regulations, policies, collective agreements, and international trade agreements ([City of Toronto, 2023a](#)). Toronto's social procurement policy was developed to comply with domestic and international legal obligations, making it an excellent model for other municipalities seeking to develop and implement their own policies. Additionally, interviews noted that the City's definition of 'diverse supplier' remains fluid to ensure inclusion. For example, although the city uses a 51% ownership threshold to define diverse suppliers, this can act as a barrier with small suppliers (i.e. such as one co-owned by two individuals where only one is from a diverse background). Community consultation has been identified as a next step by the city to

create a community definition of what constitutes a ‘diverse business’ as a means of preventing certain groups from being excluded from the program.

These important facts tie into the second component of Toronto’s social procurement program, which involves the tools, guides and support systems that facilitate and enable the policy, such as maintaining a list of diverse suppliers ([City of Toronto, 2023a](#)). However, the tools, guides and support systems component of the city’s social procurement program means that city is always actively collecting quantitative and qualitative data to help improve the program, such as data that helps to ensure a more inclusive definition of ‘diverse supplier.’

The City maintains a supply chain management system that helps staff collect, monitor and act upon data on the Program ([City of Toronto, 2023a](#)). This data helps ensure the program is productive in reducing systemic economic disadvantages, discrimination, and barriers by certain groups. The City collects data on the amount of procurement directed to diverse suppliers, collects quarterly reports from contractors who have workforce development in their contracts, and manually verify and tracks money spent with diverse employers. Finally, the Tools, Guides, and Support Systems component of the City’s social procurement program provides city staff with templates, contract language and evaluation guidelines used in the procurement process. These pre-established items help maintain standardization within the City’s program.

Additional Community Benefits

In addition to the social procurement program, Toronto has four other key community benefit initiatives:

- Toronto’s **Imagination, Manufacturing, Innovation and Technology Program** was adopted in 2019 to incentivize the construction of new buildings or major renovation buildings in targeted employment sectors. Grants for approved developments total 60% of the municipal tax increase attributable to the eligible development over a 10-year period ([City of Toronto, 2022](#)).
- The **Rexdale-Casino Woodbine Community Benefits Agreement** was signed in 2018 between the City of Toronto and One Toronto Gaming, the manager of Casino Woodbine in Toronto’s Rexdale area ([City of Toronto, 2023b](#)). The development project includes the expansion of the casino, two hotels, restaurants & retail stores, an over 4,000-seat event venue and a 5,000 square foot on-site training center. The goal of the project is to minimize the effects of expanding gaming within the city by opening opportunities to benefit Toronto’s Rexdale community. These community benefits include local & social hiring for casino operations, local & social procurement, a childcare center and community access to the event venue.
- Toronto’s **Housing Now** initiative, which began in 2019, uses City-owned land to develop affordable and accessible ([City of Toronto, 2024](#)). This initiative enables the creation of housing closer to essential services, such as transit. Housing Now has seen the development of over 20 properties across the City and over 15,000 new homes.
- **AnchorTO**, a collection of government & public sector organizations, postsecondary institutions, and community builders committed to using their procurement spending in ways to improve social, economic and workforce development goals within Toronto ([AnchorTO – Social Procurement, n.d.](#)). The project is very similar to Toronto’s social procurement program as the 18 member institutions seek to procure goods and services to generate community assets, social employment & training opportunities, and support community-based & diverse suppliers.

Based on interview data, social procurement policy development in Toronto has yielded various observable impacts on local social enterprises. A prominent example includes the increased accessibility and availability of economic opportunities to equity-deserving groups through the targeted inclusion and partnership with companies led by individuals identifying as part of the LGBTQ+, disability, veteran,

indigenous, and minority communities. For example, the Toronto Community Benefits Network partnered with Aecon, a Canadian construction company, to increase access to training and mentoring programs for workers who had been laid off during the pandemic by adding spots in their NexGen Builders program for historically under-represented workers in the construction industry (Powell, 2020). However, City representatives also briefly identified various areas of improvement and next steps for social procurement policy:

- Community consultation
 - Developing a community definition for a “diverse business” in 2024
- Investigating new opportunities for contracts under \$3000 and direct purchases to create opportunities for small suppliers
- Improving policy to contain more regular opportunities for review
- Accounting for supplier diversity changes in the context of social identities
- Developing a robust list of diverse suppliers
- Resolving lack of diverse suppliers for contracts over \$100K: Setting up set-asides for suppliers operated by those from marginalized communities.
- Allow smaller suppliers to participate with lower dollar-value contracts instead of consolidating them into large contracts
- Developing an improved tracking system to measure diversity within procurement projects
- Improving clarity of social procurement program goals

Vancouver

The City of Vancouver has a rich history of community benefit projects ([City of Vancouver, General Manager of Arts, Culture and Community Services, 2018](#)). Since 2005, the City has required large development projects to have community benefit agreements as a requirement. This made Vancouver the first municipality in Canada to develop and implement a community benefits framework. Unfortunately, these agreements have not been effectively monitored or met. Further, major community engagement was not included in this initiative.

These concerns with the City’s 2005 community benefits agreement policy helped give rise to the City’s **2018 community benefits agreement policy** ([City of Vancouver, General Manager of Arts, Culture and Community Services, 2018](#)). The policy has three key pillars: local, inclusive employment, social procurement, and local procurement.

- The **local, inclusive employment** facet requires 10% of all jobs in development projects be filled by Vancouver residents and equity-seeking groups, with priority given to entry-level workers.
- The **social procurement** facet requires 10% of all materials, goods and services required for a development to be sourced from businesses that are either equity-seeking or have a third-party certification for social impact. Priority is given to Vancouver-based businesses.
- The **local procurement** facet requires that 10% of all materials, goods and services required for a development be procured from Vancouver-based businesses.

The aim of Vancouver’s 2018 community benefits agreement policy is to draw upon the strengths and addresses limitations of past initiatives ([City of Vancouver, General Manager of Arts, Culture and Community Services, 2018](#)). The policy focuses on providing Vancouver residents with a more equitable distribution of decent paying jobs within the municipality, particularly to equity-seeking groups and young workers. This is done through supporting local and equitable businesses within municipality, who also aim to benefit from the policy.

Winnipeg

Winnipeg's official social procurement policy is still under development and implementation. Still, a report titled "**Sustainable Procurement Action Plan 2022-2025**" provides some insight into the potential social procurement initiatives the municipality will undertake ([Buy Social Canada, 2022](#)).

The first year of the action plan is centered around community engagement. This includes the creation of a 'Sustainable Procurement Liaison' and the establishment of a social procurement advisory table for community stakeholders to participate in the process ([Buy Social Canada, 2022](#)). One of the more tangible initiatives the report outlines is the creation of a supplier registry that would contain information on social enterprises, Indigenous businesses, and diverse businesses. This registry would be supplemented by a landing page for sustainable procurement that includes information on the program and opportunities for stakeholders to engage with the supplier registry. This would allow for data to be generated to inform a pilot project that would include contracts with social potential, projects with social value opportunities and projects aimed at reducing greenhouse gas emissions. Indeed, Winnipeg has implemented a policy that requires any business seeking contracts with the City to demonstrate how they would benefit Winnipeg communities.

The program's second year would involve continued meetings with community stakeholders to adjust the pilot project where needed ([Buy Social Canada, 2022](#)). Data should be collected on the pilot project and the implementation of social procurement within the municipality to help inform future decisions about the program. A supplier code of conduct and tools to support specific topics on social procurement and sustainability performance measures could be developed using data generated from the first year of the pilot project.

The program's third year would largely be a review of the pilot project to ensure its long-term survivability ([Buy Social Canada, 2022](#)). Meetings would continue to be held with community stakeholders to adjust the policy where needed, and standard sustainability specifications for common products and services could be created, such as print materials, building deconstruction, etc.

Wood Buffalo

The municipality of Wood Buffalo, Alberta, has a social procurement policy titled '**SCM-100 Procurement Policy**' ([Regional Municipality of Wood Buffalo, Supply Chain Management, 2021](#)). The specific details of these policies are not publicly available. However, general principles of the policies include ensuring procurement practices are fair, open, transparent & consistent for all suppliers, requiring procurement practices to encourage some form of positive social outcome and requiring procurement practices to preserve the natural environment where possible.

Some information on the specific initiatives taken by Wood Buffalo is available on the municipality's website. For example, the municipality opened a pool in which local and local Indigenous businesses can register which goods and services they contract ("[Social Procurement,](#)" n.d.). Indigenous businesses are defined as businesses that are 51% or more owned, operated and controlled by an Indigenous person(s).

The municipality subsequently prioritizes doing business with these registrants for low-value trade agreement purchases and below-threshold trade agreement purchases ([Regional Municipality of Wood Buffalo, Supply Chain Management, 2021](#)). Low-value trade agreement purchases are defined as less than \$10,000, whereas below-threshold trade agreement purchases range between \$10,000 to \$75,000 for goods and services and \$10,000 to \$200,000 for construction-related activities ("[Social Procurement,](#)" n.d.). The goal of these initiatives is to benefit businesses local to Wood Buffalo, particularly Indigenous businesses.

Brampton

The City of Brampton is committed to advancing social procurement practices through its **Sustainable Procurement Framework** ([City of Brampton, 2023](#)). A key component of this framework is the **Supply Chain Diversity Program**, designed to promote inclusivity in procurement. As part of the City's **Invitational Procurement Process** for contracts ranging from \$25,000 to \$100,000, diverse suppliers are actively encouraged to participate. To be eligible, suppliers must attain certification as a diverse supplier through an established non-profit Supplier Certification Organization such as Buy Social Canada or the Canadian Aboriginal and Minority Supplier Council. To increase participation of diverse suppliers, the Supply Chain Diversity Program encourages City staff to solicit bids from them and provides vendors with training on submitting bids and proposals.

While still in development, the Sustainable Procurement Framework lays out a short, medium, and long-term plan for policy implementation ([City of Brampton, 2023](#)). In the short term (1-2 years), it prioritizes immediate actions to enhance procurement practices. Initiatives include the introduction of a Community Benefits Policy for large construction projects, the implementation of a Fair Wage Policy for construction vendors on projects valued over \$500,000, and the expansion of the COR™ program to bolster health and safety standards. Concurrently, the Purchasing By-Law will be updated to formalize policies and address legal obligations, while local economic development criteria will be integrated into the Request for Proposal process for vendor selection.

Moving into the medium term (2-3 years), the framework aims to establish a comprehensive Vendor Code of Conduct, informed by best practices from other municipalities and public sector agencies ([City of Brampton, 2023](#)). This code will encompass crucial aspects such as vendor integrity, compliance, employment standards, health and safety, workforce development, equity, anti-harassment policies, and professional certifications. Moreover, Environmental Standards for vendors, considering life-cycle impacts, will be implemented, and the Supply Chain Diversity Program will be expanded. To ensure accountability, evaluation and accountability metrics will be proposed, with an annual report submitted to City Council.

In the long-term (3-5 years), the framework envisions the approval and establishment of a dedicated Sustainable Procurement Office ([City of Brampton, 2023](#)). This office will play a pivotal role in coordinating, administering, and managing the implementation of existing and future policies, thereby solidifying the City of Brampton's sustained commitment to socially responsible and sustainable procurement practices.

Peterborough

In an update to Peterborough's by-law that governs procurement policies, the City has identified and recommended **key social value objectives** for its social procurement policy. These include Local Economic Development and Employment, Support for Local Businesses, Prioritization of Inclusion and Diversity, Social Equity, Sustainable Community Development, Environmental Sustainability and Climate Change Adaptation, and Strengthening Arts, Heritage, and Culture. To effectively integrate social procurement principles, the policy suggests initiating **pilot projects** aimed at testing the inclusion of social procurement within the City's procurement processes. Additionally, it proposes the establishment of a **multi-stakeholder community working group**, featuring representation from the City, local businesses, industry, and the community, to provide support for the policy's social implementation. Recognizing the importance of awareness and capacity building, it recommends the development and implementation of both internal and external stakeholder training programs, while also proposing an outcomes-based measurement and reporting process aligned with existing City policies.

Edmonton

The City of Edmonton incorporates economic, quality, environmental, and social value considerations into procurement processes for goods, services, and construction projects. In accordance with its Sustainable Procurement Policy (C556B), the City structures its purchasing activities to intentionally create positive effects on the environment, society, and the economy, all while maintaining open, fair, and transparent procurement processes. Edmonton's social procurement policy is characterized by a commitment to ethical standards, mandating suppliers and subcontractors to adhere to minimum criteria encompassing labor standards, employee treatment, wages, benefits, working conditions, and ethical standards. The policy further emphasizes environmental sustainability by integrating requirements into purchasing procedures and supply chain management processes to advance the City's goals in emissions management, pollution reduction, energy efficiency, and waste reduction. The Indigenous Procurement Framework addresses barriers and promotes the participation of Indigenous-owned businesses in City procurement processes, aiming to remove obstacles and enhance capacity within Indigenous businesses. Additionally, the policy incorporates social value considerations into purchasing opportunities, focusing on social and economic issues to generate impactful outcomes related to employment, training, skills development, social value supply chain, and community development.

Regional Municipality of Peel

The Regional Municipality of Peel is currently in the **pilot phase of a social procurement program**, drawing inspiration from the **City of Brampton's Sustainable Procurement Framework**. The intention is to fully implement this program in 2024. In interviews with staff involved with the region's social procurement policy, they mentioned that they have selected policies that are similar to Brampton and Toronto to provide vendors with a consistent set of regulations and process in municipalities throughout the region. They also described Peel's approach to utilizing an invitational procurement strategy, where clients invite three partners, and regional representatives, then subsequently collaborate with third-party accreditation agencies representing equity-seeking groups to identify additional vendors. Through this outreach process, opportunities are made available and visible to equity-seeking groups to ultimately foster a more diverse supply chain. This procurement strategy aligns with Peel's commitment to diversity, equity, and inclusion, as outlined in their [Diversity, Equity, and Inclusion Implementation Plan](#), influencing the overall framework for their procurement initiatives. Peel representatives have also described their usage of community benefits networks to achieve large-scale community-level social procurement opportunities related to major infrastructure projects through employment services groups, labour unions, and local government partners. Representatives also emphasized the policy shift from guiding principles to mandatory requirements, such as their recently adopted by-law that clearly incorporates social procurement as part of policy.

Since most municipalities are either in the development or pilot stages of the policy process, there is a lack of information on monitoring strategies in official documents. However, through our interview with the Peel Region, we learned that they have sought inspiration from the Scottish Sustainable Procurement Program for monitoring progress. Within this framework are metrics and key indicators to track progress, but Peel continues to develop their own custom metrics including those to track other supply chain considerations such as conflict-free sourcing and recycling. Additionally, they have integrated reporting of carbon of supply chain for procurement to calculate the carbon footprint for every dollar spent.

Going forward, the Region's social procurement staff aims to achieve full program operation by 2024. This involves the identification of optimal partnerships for social procurement through a pilot initiative, which will serve as a crucial testing ground. Simultaneously, efforts will be directed towards engaging with diverse and underrepresented groups to provide them with opportunities in smaller procurement ventures. To add, considerations beyond the immediate scope of procurement, such as the use of conflict-

free materials and recycling, will be incorporated into the monitoring process. As part of this ongoing development, the region is committed to refining and developing more customized monitoring metrics to ensure the success and sustainability of the social procurement policy. This comprehensive approach underscores the Region of Peel's dedication to fostering a robust and inclusive social procurement framework.

Peel Region representatives also briefly identified various areas of improvement and next steps for social procurement policy:

- Full program operation in 2024
- Identifying best partnerships for social procurement through pilot
- Engaging diverse and underrepresented groups for smaller procurement opportunities
- Include other considerations in monitoring such as conflict-free materials, recycling, etc.
- Developing more customized monitoring metrics

Canadian Collaboration for Sustainable Procurement

While not a municipality, the Canadian Collaboration for Sustainable Procurement (CCSP) is an organization that strongly advocates for social procurement initiatives and strategies, with many of its mandates and best practices being reflected in municipal social procurement policies across Canada. As such, this report includes the CCSP in its analysis of strategies for social procurement.

CCSP is a network of public-sector institutions in Canada that aims to ensure that any public expenditures are done in such a way to ensure the values of sustainability. These values were outlined in the organization's 2022 report, "Annual Report on The State of Sustainable Public Procurement in Canada." The report does not outline any specific policy recommendations but presents an overview for understanding sustainable procurement, trends in sustainable procurement initiatives, and sustainable procurement frameworks.

The CCSP maintains 'best practices' regarding sustainable procurement. These include green or environmentally preferable procurement, ethical procurement, social procurement and Indigenous or aboriginal procurement. While specific policies differ among CCSP institutions, mandates include encouraging bidders to purchase from suppliers that provide social value (e.g. non-profits, social enterprises, diverse suppliers, etc.) and mandate suppliers to deliver this value as part of their contracts. CCSP members are also encouraged to contract with Indigenous businesses, increase education opportunities for Indigenous communities and ensure Indigenous peoples are engaged during public spending proposals.

Development and Implementation Challenges

Defining Equity-deserving Groups

A key goal of social procurement is empowering equity-deserving or diverse groups to participate in procurement. An increasingly prominent challenge to social procurement policies has been defining diverse or equity-deserving groups. Generally, social procurement policies define diverse suppliers or businesses as being 51% or more controlled, owned, or operated by persons from equity-seeking groups. However, defining equity-seeking groups can be difficult as there are no universal definitions. Identity is fluid; existing social procurement policies that seek to incorporate equity-seeking groups into procurement practices may exclude groups who identify as equity-seeking. Furthermore, policies requiring 51% ownership by equity-deserving groups exclude many small businesses in which one of two partners belongs to a diverse group. An additional problem is the perceived favoritism towards certain enterprises over others. One of the ways municipalities, such as Toronto, are attempting to address this

issue is by creating a community definition of diverse suppliers, rather than a bureaucratic definition that excludes potential equity-seeking groups.

Addressing Policy Implementation in Specialized Fields

Incorporating social procurement policies that aim to improve workforce development and local employment opportunities may be difficult in specialized fields of work. For example, tunneling, sewers, water infrastructure, underground work, etc. are sectors vital to the function and development of municipalities and provide ample opportunity for a social procurement approach. However, these sectors are immensely specialized and require workers to be trained and educated in the specific skills inherent to this sector of work to ensure workplace efficiency and safety. Thus, training and development in key municipal interest areas may be beneficial before the introduction of a social procurement policy.

Ensuring Benefits Reach Intended Audiences

Another common challenge is to ensure the welfare of social procurement and community benefits reach the communities they intend to help. For example, Toronto has a program called Imagination, Manufacturing, Innovation, Technology (IMIT) that provides grants for the construction or renovation of buildings within the city. The program is meant to create jobs in the city and promote commercial innovation through construction. However, the program has been critiqued for favouring large corporate enterprises rather than smaller, community enterprises. IMIT has been further critiqued for lack of transparency and equity-related issues.

Establishing Sufficient Municipal Capacity

Finally, the political will of municipalities to develop and implement a social procurement policy is a key challenge. The knowledge, information, and expertise available to municipal planners regarding social procurement is a key factor in the ability and willingness of municipalities to adopt social procurement policies. In Peterborough, city staff lacked education on social procurement and how to identify social enterprises, creating difficulties when developing a strategy. Furthermore, once the process of developing a social procurement policy began, several municipalities faced resource and time constraints, challenging the scope and effectiveness of those policies. Developing a social procurement policy requires meeting with stakeholders from the community and a willingness to scrap ideas upon receiving additional input, which can decrease the political will of municipalities to implement social procurement policies. Once a pilot social procurement policy has been developed and implemented, it may fail initially. This has the potential of killing the pilot project and social procurement strategy altogether, rather than encouraging municipal planners to identify where the policy failure(s) occurred and how to resolve them.

Social Enterprise Interview Findings

While learning from other municipalities may help inform social procurement policies and initiatives in Hamilton, a critical step in developing these policies will be gathering feedback from local businesses in Hamilton who may be potential future procurement vendors. As recommended by municipal staff from other cities in this research project, the voices of people implicated and served by social procurement must be at the forefront of any municipal procurement policy. Social enterprises can offer expertise on the type of social and economic conditions a policy must establish to be successful. The process of stakeholder consultation began with social enterprises in Hamilton to elucidate their hopes, needs, and expectations for the development of a policy.

Social Enterprise Needs

Need for Improved Ability for Social Enterprises to Access and Compete in Markets

Throughout interviews, the most common, pressing need expressed in relation to a municipal procurement policy is an improved ability for social enterprises to access and compete in markets. Social enterprise interviewees stated that many of them are generally smaller operations with limited capacity for growth. This is especially true for charities, where actions such as entering large contracts could result in the loss of charity status. Furthermore, due to limited capacity for growth, social enterprises often struggle to find renting, zoning, or building permits that are both affordable and in a suitable location. A municipal social procurement strategy should consider these factors to ensure social enterprises can enter and compete in larger markets. Such a strategy should provide feasible financial thresholds for organizations with charity status, as well as smaller contracts available specifically to support small/medium social enterprises.

Need to Consider the Social Goals of Enterprises

A social procurement strategy should encourage and support social enterprises in achieving their community goals. This may mean creating partnerships that recognize unique social initiatives. For instance, 541 Eatery is a non-profit, full-service restaurant in Barton Village. Diners who can afford to do so pay full price for their meals and also have the option to purchase “buttons” to subsidize meals for those who cannot afford to pay full price. A partnership with 541 Eatery through a social procurement strategy might look like the purchase of buttons, rather than just fee-for-service for the meals catered.

Need for Diverse List of Suppliers/Social Enterprises, Available to the City and the Public

Many interviewees expressed the need for a diverse list of suppliers/social enterprises that participate in social procurement, made available to both the City and the public. Interviewees suggested a diverse list is one that includes all sizes and stages of social enterprises, from small start-ups to well-established charities. Interviewees also pointed out that if a social procurement policy aims to engage with social enterprises, not all organizations may not label themselves as a social enterprise, even if they provide social value and could participate in the procurement strategy. Therefore, the policy would need to clearly and carefully outline who the policy aims to engage with, using language that could resonate with their target audience.

Interviewees also highlighted that a diverse list of suppliers/social enterprises that participate in social procurement would make it easier for the public to identify how they can contribute to the community, enabling social enterprises of all sizes to gain visibility. Furthermore, a list could provide encouragement to participate in community benefits, as citizens can be sure their spending is going towards a verified cause. Furthermore, such a list would enable improved connectivity amongst social enterprises, allowing for strengthened networks and support systems. Increased collaboration amongst social enterprises would help improve focus on specific community benefits, while increasing potential scope and scale of projects and programs. Furthermore, greater transparency of what procurement the City is engaged in would encourage social enterprises to focus their procurement in relation to community benefits.

Need for Engagement with Smaller Social Enterprises and Projects

Many interviewees stressed the importance of not overlook the potential for procurement and community benefits through smaller projects. A common concern was that municipal social procurement strategies are often too narrowly defined. Cities tend to look primarily to supply chains for procurement efforts, but as one interviewee explained, “As a thrift store, it’s not like the City can call us up and say can you supply us with 6000 coats.”

Interview findings suggested that procurement strategies should not simply consider how a city acquires goods, but also how it fosters a communal effort to ensure suppliers are diversified. A municipal social procurement strategy should ensure all people can access goods from businesses run by those who are underrepresented. Potential features to address this need could include microloans made specifically available to small/new businesses, including smaller projects (LRT, fencing, construction, etc.) in social procurement efforts, and re-examining public by-laws to make them more comprehensible and accessible for all to start up small businesses (creating public guides to certain policies, eliminating or replacing unnecessary jargon, etc.), particularly in relation to “low-hanging fruit” such as food and hospitality industries.

Interviewees also highlighted that supporting small projects and organizations creates an environment conducive to new social enterprises. An effective municipal social procurement policy should support all types of social enterprises, not only well-established organizations with certain models in place. Furthermore, supporting smaller projects and organizations can make it easier to employ and support at-risk youth, who may not yet have the experience required for larger projects. Such support also acts as a long-term investment into a strengthened workforce.

Final Comments on Needs

The anticipated value and features relating to these needs are interconnected and will overlap. For example, effectively improving the ability for social enterprises to compete in markets will necessarily entail engagement with smaller social enterprises and projects. As one interviewee from Wesley explained, “a municipal social procurement policy should encourage a social-procurement ecosystem to develop, (*which means*) charities need to feel as though they can compete”.

Feedback on Structuring a Pilot

During interviews, social enterprises were asked for feedback about structuring a social procurement pilot. The vision for the pilot is to explore and evaluate potential policy mechanisms, highlighting potential outcomes, opportunities, and challenges for a future policy. We asked interviewees what the main features a pilot should include and if/how social enterprises would like to be included in such a program.

Community Consultation

Community consultation throughout policy development and implementation has been highly emphasized as a crucial component of social policy development. This involves the inclusion of populations such as citizens, charities, small and medium businesses, etc. in meaningful roles while creating opportunities for additional community engagement, such as forums, policy review sessions, and other feedback sessions. Social enterprises in Hamilton will play indispensable roles in the functioning of a municipal social procurement policy as they are also most familiar with community needs expressed by demand and personal experiences shared amongst clientele, as well the most urgent challenges to address those needs. Social enterprises have valuable insight to offer to a social procurement pilot and must be meaningfully included during all stages of the process. Furthermore, effective community consultation will allow social enterprises to feel more connected to the outcome of a pilot, making them more likely to meaningfully engage in future social procurement opportunities.

Education

Relatedly, interviewees stressed the importance of education for community involvement in the development of a social procurement policy. Smaller and newer social enterprises may be unaware of the concept of social procurement and may acquire additional resources to ensure the criteria for social

procurement is met. Citizens may be unaware of the services available to them, how to support social enterprises, or how to participate in the policy-making process. Educational initiatives are necessary to ensure widespread, inclusive community engagement in a social procurement pilot and future endeavours.

Low-Risk Procurement Opportunities

Several interviewees stressed the importance of starting small when piloting a social procurement program. Though municipal procurement policies often emphasize large, supply change opportunities, smaller procurement efforts are accompanied with lower risk and often support those who need it most. Low-risk procurement opportunities can be found within construction and food industries and may be a good place to start when considering potential pilot projects.

Involvement of Social Enterprises in Development/Implementation of Policy

All the social enterprises we interviewed stated they are (or are likely) interested in being involved in the implementation of a social procurement policy. Several of the social enterprises we interviewed stated that they would also like to be involved in the development of such a policy. Those who were not interested in participating in the development stage shared a common concern of limited capacity to participate, largely due to a lack of available time/human resources. While these organizations would not be interested in the initial stages of the development phase, they shared that they might reconsider participating in the later stages, once they begin to see progress has been made. These organizations also noted efforts that have went towards this cause in the past, that have not yet led to any developments. One interviewee explained that his participation “depends on (his) faith in the project”, noticing “many social enterprises are starting to lose hope” in a municipal social procurement policy.

Fostering Openness to Continuous Learning and Improvement

Interviewees emphasized that no municipal procurement policy will be perfect, but what is most important is creating a framework conducive to strong relationships and supportive networks. By introducing the City to the notion that social change *can* be compatible with economic growth, social enterprises and citizens alike will become more likely to engage with social procurement and community benefits. An effective municipal procurement policy is flexible and formed through trial and error. In isolation, no one can learn from one another’s mistakes. As one interviewee put plainly, “If the pilot flops, it does not mean the idea of social procurement as a whole flops”.

Key Recommendations for the City of Hamilton

When exploring the development of Social Procurement Frameworks and Policies, the City of Hamilton should consider the following recommendations based on feedback and activities from other jurisdictions:

Stage 1: Developing the Policy

1. **Conduct multiple one-time, small-scale pilots to test community employment benefits, community benefits agreements, and different types of social procurement initiatives within the context of Hamilton:** Look for opportunities within City departments to prototype one-time social procurement initiatives, in addition to community employment benefits and community benefit agreement initiatives. These tests will help determine what practices align best with the City’s current policy, process, and Council direction, as well as areas of improvement that need

to be addressed within the City's program systems, processes, and infrastructure before developing and launching a full social procurement strategy.

2. **Champion the Social Procurement Movement in and Outside of the City of Hamilton:** Show a strong commitment to advocate for the social procurement movement in the City of Hamilton, underscoring the significance of social responsibility in procurement practices, and acknowledge the need for a work culture within the City that wholeheartedly embraces the concept of social procurement. This championing can be done by implementing the recommendations listed further below.
3. **Create dedicated full-time and part-time roles to oversee social procurement:** Establish specific roles for social procurement by creating dedicated positions, which include full-time coordinators and part-time support roles, tasked with overseeing and enhancing social procurement initiatives.
4. **Conduct Meaningful Community Engagement:** Highlight the importance of community consultation throughout the policy development process, ensuring the active involvement of diverse stakeholders to achieve a comprehensive and inclusive approach.
 - (i) **Provide Education:** Ensure that attendees at engagement events have educational materials explaining social procurement and what it looks like in other cities available beforehand.
 - (ii) **Host Social Procurement Conferences:** Organize a citywide conference that brings together social enterprises, existing and potential social purchasers. This convention will facilitate meaningful discussions on framing a social procurement policy for Hamilton, fostering a robust social enterprise network in the City.
 - (iii) **Ensure Meaningful Follow-up with Stakeholders Engaged:** Address the erosion of trust resulting from inadequate follow-up with community advocates and feedback providers on Hamilton's social procurement policy by ensuring transparency in the implementation of feedback and providing regular updates to community members.
5. **Identify and Meet Needs of Social Enterprises to Support Participation in Social Procurement:** While some enterprises have communicated a need for time and resources to scale up their capacity for servicing the City, and others may be limited to smaller projects, it is crucial to ensure that projects are tailored to meet the specific needs of these enterprises, maximizing their opportunities for participation. Additionally, the city could provide enterprises with capital and resources to scale up their capacity over time to meet the municipality's supply demands.
6. **Conduct a Scan of the Policy Landscape and Develop a Standardized Social Procurement Policy that Meets Local Needs:** While this report serves as a starting point, the City should perform a thorough analysis of the current policy landscape, incorporating pre-existing procurement guidelines and broader trade agreements. Subsequently, it should formulate a standardized policy that considers the nuances of the local context, ensuring its relevance and effectiveness for the City of Hamilton.
7. **Develop a Training and Resource Hub:** Create a centralized training and open-source resource hub that offers tools, resources, and support for City staff, diverse suppliers, and social enterprises. This hub will facilitate knowledge-sharing and skill-building (around running or participating in the social procurement framework) to strengthen the overall social procurement ecosystem in Hamilton.
8. **Integrate Social Procurement Intentionally into Procurement Planning:** Emphasize the integration of social procurement considerations from the outset of the procurement planning process. This is to ensure that social procurement is not an add-on but a fundamental aspect of the procurement strategy development.
9. **Implement Inclusive Strategies for Supplier Engagement:** Develop and implement strategies to engage a diverse range of small and medium businesses and suppliers. Set inclusion goals for

Indigenous, black, and other equity-deserving suppliers. Additionally, implement lower-value contracts to facilitate participation by smaller suppliers, avoiding consolidation into larger contracts.

10. **Determine (and Periodically Re-evaluate) Definitions of "Diverse" Suppliers:** Engage the community in developing a shared definition of "diverse suppliers" to ensure inclusivity without unnecessary restrictions, allowing for flexibility as perceptions of identity evolve overtime. Be open to revisiting this definition and updating vendor lists accordingly.
11. **Conduct in-depth engagement with stakeholders, broader communities and target groups around a proposed social procurement framework**
12. **Pilot a Social Procurement Framework in Hamilton:** Introduce a social procurement policy tailored to the specific needs of the city of Hamilton.
13. **Develop and Streamline Measurement and Evaluation Processes:** Develop success metrics and evaluation processes for the policies. Evaluate the effectiveness of a centralized or decentralized approach to measurement and evaluation and streamline these processes to enhance accessibility, making it easier to track and assess the impact of the policies. As outlined in this report, the City of Toronto has one of the most developed tracking and evaluation frameworks of the municipalities examined.

Stage 2: During and After Implementation

14. **Establish a Publicly Accessible Directory of Social Enterprises:** Create a comprehensive and publicly accessible directory of social enterprises. This tool will enable enterprises to connect with each other and streamline interactions with potential purchasers.
15. **Support Social Enterprises in Obtaining Necessary Certification:** Provide support to social enterprises seeking certification, acknowledging the importance of recognized standards in the social procurement ecosystem.
16. **Prioritize Transparent Reporting and Accessibility:** Establish a strong tracking and reporting mechanism to document and assess social procurement practices. Prioritize transparent and accessible reporting of the implementation and outcomes of social procurement policies. Establish a timeframe for evaluation, coupled with a clear plan of action to incorporate feedback into policy improvements. Utilize the reporting mechanism to inform the community about accomplishments, building confidence and encouraging ongoing investment.

Conclusion and Next Steps

Across Canada, the social procurement landscape ranges from municipalities in the development and piloting stages, to some who are actively engaged in internal education and cultural shifts. Continuous testing, learning, and improvement emerge as key factors for successful social procurement practices. Despite substantial stakeholder and public support, challenges such as limited resources, technology constraints, low staff capacity, competing priorities, and decentralized procurement practices persist. Ongoing reporting of implementation and outcomes is recommended to address these challenges and promote the advancement of social procurement initiatives.

This report investigated the main research question: ***"What are the social procurement policies, if any, of Canadian municipalities comparable to Hamilton?"***. Additionally, this report explored the sub questions of: 1) ***"How, if at all, are these procurement policies supporting social enterprises in their city?"***, and 2) ***"Based on these findings, what are some recommended social procurement policies for Hamilton?"***

This report investigated social procurement policies comparable to Hamilton. Based on this research, several recommendations are made above for the City of Hamilton to consider in the development, implementation and maintenance for a social procurement framework. While these recommendations are broad to give room for Hamilton to develop a policy based on its unique context, the City should draw from examples from other cities highlighted in this report. We highlighted several best practices from the experiences of other municipalities in this report. For example, the City of Vancouver centers its strategy around local, inclusive employment, social procurement, and local procurement. To elaborate, 10% of all jobs in development projects be filled by Vancouver residents and equity-seeking groups, 10% of all materials, goods and services for a development project must be procured from equity-seeking businesses, and 10% of all materials, goods and services for a development project must be procured from Vancouver-based firms. Strengths of the City of Toronto's social procurement policy include ensuring at least one quote is obtained from a diverse supplier on orders between \$3,000 and \$100,000. The policy also encourages City partners to take ownership of the policy, encouraging bidders seeking contracts over \$100,000 to develop their own list of diverse supplier options.

While the findings of this project elucidate several recommendations and next steps for the City of Hamilton to pursue, the limitations of this research should be well-noted. Due to time restrictions, this project could gather feedback from only a limited number of social enterprises within the City of Hamilton. Thus, the feedback gathered may not be representative of the social enterprise ecosystem within the City. This scan is intended to act as a primary and introductory investigation into how social procurement policies could support social enterprises in Hamilton. However, a key next step should be dedicating municipal resources to engaging in community consultations for the development of the social procurement policy.

Further engagement should be done, especially with social enterprises in the community. Hamilton is home to many social enterprises and many other non-profit organizations, who many qualify as, but not necessarily consider themselves social enterprises. Any social procurement policy or community benefits will require deeper engagement with these organizations. The Research Team and HCBN is hoping this work can be used as a catalyst for community benefits and social procurement policies in Hamilton.

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Appendix I

Interview questions (municipal staff)

1. Could you introduce yourself (i.e., name, role, how you are related to social procurement in your municipality/organization)
2. What's your understanding of the concept of social procurement?
3. Could you please provide an overview of (municipality name)'s social procurement policy/strategy?
 - a. What are its key features?
 - b. What is its scope/ who does it support? (i.e., what are the inclusion/exclusion criteria for businesses that are supported by the policy?)
 - c. What stage of development or implementation is it in?
 - d. What sort of resources is the city/region devoting to supporting the social procurement strategy?
 - e. Who's responsible for the development/implementation of the policy?
4. Could you please provide an overview of how (municipality's name)'s social procurement strategy came to be?
 - a. Who brought it forward? What arguments did they make in favor of the strategy?
 - b. Was the community consulted? If so, who was consulted, and how?
 - c. Was there pushback? If so, how was that navigated?
5. Have the effectiveness or impacts of the strategy been evaluated?
 - a. If yes: Has the city observed any positive benefits for social enterprises or local businesses? If so, what?
 - b. What metrics and evaluation tools are used to measure the success of the strategy?
6. What are the standouts of your (city)'s social procurement policy? What aspects of the policy are contributing to its success?
7. What needs to be changed or added to your city's policy? Are there any challenges you are currently encountering?
8. What are your thoughts, if any, on the next steps in the development or implementation of your strategy or policy?
 - a. What are the next steps for your city in expanding its social procurement policy?
9. Do you have any recommendations for other cities investigating the development of a social procurement policy or strategy?
10. Is there anyone else you suggest speaking to?

Appendix II

Interview questions (social enterprise stakeholders)

1. Can you introduce yourself and your social enterprise ?
2. What is your understanding of the concept of social procurement?
3. How might a municipal social procurement strategy support your social enterprise, if at all? What do you think the value might be, if anything, to social enterprises in Hamilton?
4. Have you been involved in advocating for social procurement policies in your municipality? (if applicable)
5. What elements or features should be included in a social procurement policy for the City of Hamilton that would be most support and encourage your social enterprise?
6. Do you anticipate any needs to take advantage of a new social procurement policy to build or expand capacity?
7. What do you think are the next steps for establishing a social procurement strategy in the City of Hamilton?
8. What do you feel is your role in the future development/improvement of social procurement policy?
9. If the City of Hamilton were to undertake a pilot of social procurement policy/practices, what would you like the pilot to look like and would you be interested in participating?
10. Is there anyone else you recommend speaking to as we conduct this research?

From: City of Hamilton <hello@hamilton.ca>

Sent: Wednesday, May 1, 2024 3:04:56 PM

To: clerk@hamilton.ca <clerk@hamilton.ca>

Subject: Webform submission from: Request to Speak to a Committee of Council

Submitted on Wed, 05/01/2024 - 15:04

Submitted by: Anonymous

Submitted values are:

Committee Requested

Committee

Community Benefits Subcommittee

Will you be delegating in-person or virtually?

In-person

Will you be delegating via a pre-recorded video?

No

Requestor Information

Requestor Information

Amandeep Saini

Research Shop, McMaster University

Office of Community Engagement, McMaster University

8 Mayfair Crescent

Hamilton , Ontario. L8S4E7

sainia20@mcmaster.ca



Preferred Pronoun

she/her

Reason(s) for delegation request

Interest in a social procurement policy for Hamilton has been growing. Over the last several months, the Research Shop at McMaster University has been collaborating with Karl Andrus, Executive Director of the Hamilton Community Benefits Network (HCBN) and a member of the Community Benefits Subcommittee, to investigate social procurement policies in other comparable municipalities, and collect feedback from the Hamilton community on what they would like to see included in a policy to promote its success. The project has resulted in a set of 16 recommendations for introducing social procurement in the City of Hamilton. We hope to share these recommendations with the Community Benefits Subcommittee during the May 28, 2024 meeting through a 30-minute presentation, with additional time for questions. We are submitting this form to request more time beyond the usual 5-

minute time allotment for delegations.

Will you be requesting funds from the City?

No

Will you be submitting a formal presentation?

Yes



HAMILTON COMMUNITY
BENEFITS NETWORK

building capacity through building communities

Municipal Social Procurement Policies in Canada: An Environmental Scan and Recommendations for Hamilton

*Presented by: Amandeep Saini, Aiden McIlvaney, Ananya Yadav, Brooklyn Lanosky
Research Shop, McMaster University*



Office of
Community Engagement



May 2024



"The **McMaster Research Shop** works with **public, non-profit, and community organizations** in Hamilton to provide **plain-language answers to research questions**. Research Shop Staff hire Team Leads and recruit volunteers, matching them with projects that interest them."

Agenda

1. Background on Community Benefits and Social Procurement

2. Examples of Social Procurement from Other Cities

3. Recommendations for Hamilton

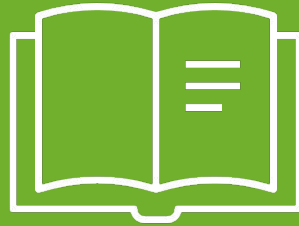
An Introduction to the Project

1

What are the social procurement policies of Canadian municipalities comparable to Hamilton?

2

Based on these findings, what are some recommendations for Hamilton in developing and implementing a social procurement strategy?



Step 1: Jurisdictional Scan



Step 2: Interviews

What Are Community Benefits?

- The **social, economic, or environmental outcomes** that municipalities and/or private businesses commit to delivering to local communities through development projects or business activities.
- Help **mitigate the negative effects of economic activity** (e.g. income disparities, local unemployment)
- Tend to **prioritize equity-seeking groups**.



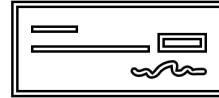
Examples of Community Benefits



Social Benefits

Inclusive employment opportunities:

Hamilton's Threshold School of Building runs programs such as co-ops connecting at-risk youth to the construction industry



Economic Benefits

Strengthened local workforce:

The Toronto Eglington Crosstown LRT project included a commitment to employing historically disadvantaged groups 10% of all trade working hours required for construction and hiring at least 50 skilled newcomers to Canada



Environmental Benefits

Increased environmental commitments:

The City of Winnipeg recently committed to a transition to a zero-emission bus fleet by 2050

Introduction to Community Benefit Agreements (CBAs)

Community Benefit Agreements (CBAs):

- Legally binding documents, outlining specific programmatic and material commitments to community benefits
- Ensures transparent and inclusive infrastructure projects, so that residents benefit from major developments



The Successes of Community Benefits Agreements

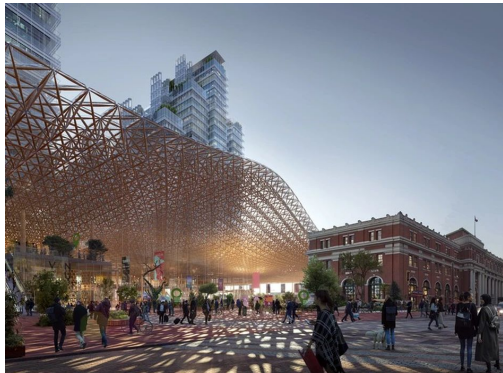
Prepared for
Hamilton Community Benefits Network

In
June 2019

By
Francis Olatoye
Frank Ong
Sureka Pavalagantharajah
Ilayda Ulgenalp
Hunster Yang

Origins of CBAs

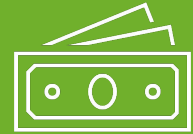
- Emerged through **urban redevelopment projects** in the late 1990s
- Cities granted **large public subsidies and tax exemptions to urban revitalization projects**, in areas which hosted large populations of **low-income and marginalized residents**
- **Community coalitions** were formed to negotiate the first CBA's, to ensure equity returning to downtown cores benefitted those who needed it most



- **Vancouver** introduced its first Community Benefit Agreement framework in 2005
- **All levels of Canadian government** are now in the process of exploring, creating, or have already adopted standard policies for CBAs

Social Procurement

- **Procurement:** process of purchasing and acquiring goods and services from external sources for organizational activity is known as procurement
- **Social procurement:** leverages purchasing power to achieve social, economic, cultural, and environmental goals
 - Encourages considerations of values such as diversity and sustainability of suppliers, creating a more equitable marketplace and contributing to the overall well-being of communities
- Increasingly prioritized as a community benefit in CBAs and policy projects



Social Procurement Goals

Supply Chain
Diversity

Indigenous
Inclusion

Environmental
Responsibility
and
Sustainability

Supporting
Social Enterprise



Examples of Municipal Social Procurement Programs

Toronto

- **Social Procurement Policy**

- Diverse supplier's list
- At least one quote from a diverse supplier on orders between \$3,000 and \$100,000
- Bidders seeking contracts over \$100,000 are encouraged to develop their own list
- Workforce development opportunities that maximize the principles of *suitability*, *reach*, *volume* and *feasibility* are prioritized

- **Tools, Guides & Support Systems**

- Continuous collection of data to improve procurement program
- Constantly trying to eliminate barriers
- Templates, contract language and evaluation guidelines



Vancouver

- **Local, Inclusive Employment**

- 10% of all jobs in development projects be filled by Vancouver residents and equity-seeking groups

- **Social Procurement**

- 10% of all materials, goods and services for a development project must be procured from equity-seeking businesses

- **Local Procurement**

- 10% of all materials, goods and services for a development project must be procured from Vancouver-based firms



Recommendations for Establishing a Social Procurement Policy in Hamilton

16 Total
Recommendations
(11 condensed for
this presentation)


Development

During & After Implementation




1

Champion Social Procurement Through Pilot Projects



Advocate Internally



Engage Externally

2

Establish Specialized Roles and Positions

Establish specific roles for social procurement by creating **dedicated positions**, which include **full-time coordinators** and **part-time support roles**, tasked with overseeing and enhancing social procurement initiatives.



EXAMPLE

Within 3-5 years, the City of Brampton plans to approve and create a dedicated **Sustainable Procurement Office**. This office will play a pivotal role in coordinating, administering, and managing the implementation of existing and future policies, solidifying the city's sustained commitment to socially responsible and sustainable procurement practices.

3

Engage Meaningfully with Stakeholders



Engage in community consultation throughout the policy development process, ensuring the active involvement of diverse stakeholders (target groups and broader communities) to achieve a comprehensive and inclusive approach.

EDUCATE STAKEHOLDERS

Provide educational materials on social procurement to attendees at engagement events (e.g., best practices).

HOST CONFERENCES

Organize a citywide conference to facilitate discussions on framing the policy.

ENSURE FOLLOW-UP

Maintain transparency and provide regular updates to community members.

CITY OF TORONTO EXAMPLE

Toronto's **51% ownership threshold for diverse suppliers** can hinder small businesses, like those with multiple owners, where only one is from a diverse background. To address this, the city plans **community consultations** to establish an inclusive definition of 'diverse business', preventing exclusion of certain groups.



4

Integrate Social Procurement Goals into a Policy

- Emphasize the **integration of social procurement from the outset of the procurement planning process** by developing a dedicated policy.
- This is to ensure that social procurement is not an add-on but a fundamental aspect of the procurement strategy development, and **desired goals of social procurement are elevated.**

CITY OF EDMONTON EXAMPLE

Edmonton plans to implement an **'Indigenous Procurement Framework'** to address barriers experienced by Indigenous persons and increase Indigenous participation in municipal social procurement practices.



5

Meet Needs of Social Enterprises

- Ensure that projects are **tailored to meet the specific needs** of social enterprises, **maximizing their opportunities for participation**.
- Provide social enterprises with **capital and resources to scale up their capacity** over time to meet the municipality's supply demands.



541 EATERY & EXCHANGE EXAMPLE

541 Eatery & Exchange in Barton Village fosters community involvement through a pay-it-forward meal program, promoting personal agency and dignity. Social enterprises like 541 face challenges with traditional finance models.

SOLUTIONS

- Prioritize social enterprises in zoning and by-laws for property market competitiveness.
- Employ a procurement specialist to assist organizations in accessing resources and negotiating fair rates.

ULTIMATELY

Hamilton should develop social procurement policies that align with other municipalities, but should be tailored to the specific needs of Hamilton social enterprises and Hamiltonians.

6

Ensure Policy Harmonization and Standardization

1

Analyze Policy Landscape

Review existing procurement guidelines and trade agreements across various levels of government to ensure alignment

2

Ensure Regional Consistency

Align policies with neighboring municipalities to streamline procurement process.



CITY OF BRAMPTON EXAMPLE

Staff implementing the Region of Peel's social procurement policy aim for consistency by adopting policies akin to those in Brampton and Toronto, streamlining regulations and processes across the region.

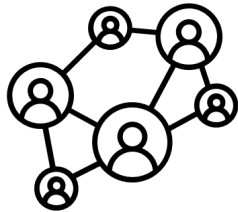
7

Supplier Engagement and Defining Diverse Suppliers

Develop and implement strategies for engaging a **diverse range** of small and medium businesses and suppliers.

Set **inclusion goals** for Indigenous, Black, and other equity-deserving suppliers.

Implement **lower-value contracts** to facilitate participation by smaller suppliers, avoiding consolidation into larger contracts.



Defining Diverse Suppliers

CITY OF TORONTO EXAMPLE

- Since 2016, Toronto's program has awarded \$4.5 million in City contracts to diverse suppliers.
- Toronto defines diverse suppliers as businesses with 51% or more ownership by an equity-seeking group.
- Businesses must be recognized by five councils: Canadian Aboriginal and Minority Supplier Council, Women Business Enterprises Canada, Canadian Gay and Lesbian Chamber of Commerce, Canadian Council for Aboriginal Business, and the Inclusive Workplace Supply Council of Canada.



REGIONAL MUNICIPALITY OF WOOD BUFFALO EXAMPLE

- Prioritizes procurement from Indigenous businesses, defined as those with 51% or more Indigenous ownership, for purchases under \$10,000.



THINGS TO CONSIDER

- Ensure diversified supplier base by facilitating access to goods from underrepresented businesses.
- Features could include microloans for small/new businesses, including smaller projects in procurement efforts, and simplifying public by-laws for easier startup access.

8

Publicly Accessible Directory of Social Enterprises

Create a **comprehensive** and **publicly accessible directory** of social enterprises. This tool will enable enterprises to **connect** with each other and **streamline interactions** with potential purchasers.

EXAMPLE

City of Winnipeg's Planned Supplier Registry Initiative

Supplier Registry:

- Includes data on social enterprises, Indigenous businesses, and diverse businesses.
- Aims to centralize procurement information.

Sustainable Procurement Landing Page:

- Provides program details and engagement opportunities.
- Enhances accessibility for stakeholders.



Expressed in Interviews

Inclusive List:

- Encompasses small start-ups to well-established charities.
- Ensures representation of diverse social enterprises.

Public Disclosure:

- City should disclose its procurement activities.
- Requires thorough environmental scan to identify potential participants beyond labeled social enterprises.

9

Develop a Training and Resource Hub



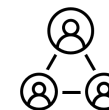
Tools & Resources

Provide resources and support for City departments, suppliers, and enterprises.



Knowledge Sharing

Facilitate skill-building and strengthen the social procurement ecosystem.



Collaboration

Enable connections and collaboration among stakeholders.

10

Support Social Enterprises in Certification



Provide support to social enterprises seeking certification, acknowledging the **importance of recognized standards** in the social procurement ecosystem.



11

Ensure Policy Measurement and Evaluation Processes are Transparent and Accessible

Tracking and Reporting

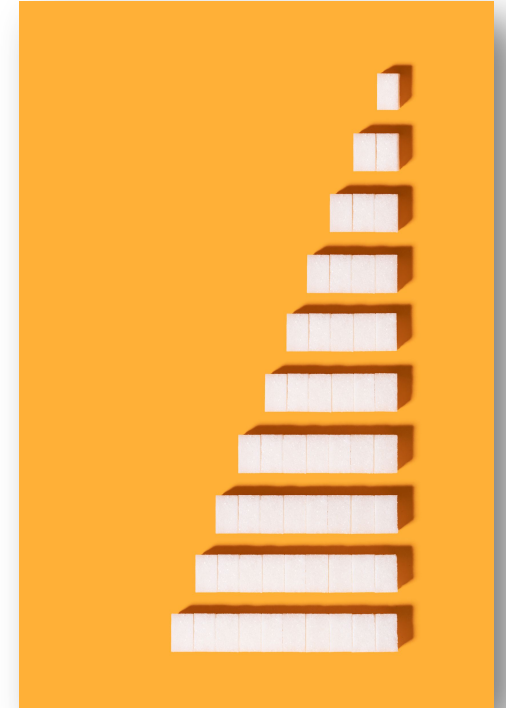
- Establish strong mechanism for documenting and assessing social procurement practices.
- Prioritize transparent and accessible reporting of policy implementation and outcomes.

Evaluation and Improvement

- Set timeframe for evaluation and plan to incorporate feedback into policy improvements.

Community Engagement

- Utilize reporting to inform community about accomplishments, fostering confidence and encouraging investment.



EXAMPLE: CITY OF TORONTO TRACKING & EVALUATION FRAMEWORK

Supply Chain Management System

- Collects, monitors, and acts upon program data.
- Aims to reduce systemic economic disadvantages, discrimination, and barriers.

Data Collection

- Tracks procurement directed to diverse suppliers.
- Collects quarterly reports on workforce development from contractors.
- Manually verifies and tracks spending with diverse employers.

Tools, Guides, and Support Systems

- Provides staff with templates, contract language, and evaluation guidelines
- Maintains standardization within the program.



Conclusion

UNDERSTAND THE BENEFITS

Social procurement can be a key tool for social, economic and environmental development

EXPLORE POSSIBILITIES

Run small-scale pilot testing, drawing on inspiration from other municipalities, to see what works best for Hamilton

ENGAGE THE COMMUNITY

Collect further feedback from social enterprises



Questions?



INFORMATION REPORT

TO:	Chair and Members Community Benefits Protocol Sub-Committee
COMMITTEE DATE:	May 28, 2024
SUBJECT/REPORT NO:	Procurement Pilots Undertaken Utilizing Social Value (FCS24035) (City Wide) (Outstanding Business List Item)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Tina Iacoe (905) 546-2424 Ext. 2796
SUBMITTED BY:	Tina Iacoe, Manager Procurement Division Corporate Services Department
SIGNATURE:	

COUNCIL DIRECTION

At its meeting on September 28, 2023, the Community Benefits Protocol Sub-Committee approved the following:

“Hamilton Community Benefits Protocol Sub-Committee Update (HSC23026) (City Wide) (Item 9.2)

- (i) That Report HSC23026, respecting Hamilton Community Benefits Protocol Sub-Committee Update, be received.
- (ii)
 - (1) That staff be directed to report back on the Hamilton Community Benefits Protocol Sub-Committee respecting a summary of the pilots undertaken for social Request for Procurement (RFP); and
 - (2) That the report back and include the 2019 Sandra Hamilton procurement report as an attachment.”

These recommendations were subsequently approved by the General Issues Committee on October 18, 2023 and then by Council on October 25, 2023.

This Report provides information regarding the pilots undertaken in 2018 and 2019 utilizing social value in various competitive public procurements carried out for the City of Hamilton. The Report includes lessons learned as a result of the pilots and opportunities as well as challenges that staff has identified with the re-implementation of social value procurement. This report also provides the consultant's report that was commissioned in 2019, summarizing the work undertaken by staff, the consultations conducted in 2018 and 2019 and the resulting pilots conducted. The consultant's report was authored by Sandra Hamilton from the Sequoia Group Limited is attached as Appendix B to this report.

INFORMATION

Chronology of Events

In June 2018 with the support of the General Managers of Public Works Department, the Healthy and Safe Communities Department and the Corporate Services Department, the Procurement Section engaged an external consultant, Sandra Hamilton from the Sequoia Group Limited, to guide and demonstrate to staff how to implement social value criteria as a mechanism to promote social procurement within Hamilton.

The outcomes for that consultancy engagement were:

- strategic priorities and high impact areas to be clearly identified/agreed;
- a Social Procurement Framework and Implementable Plan to be developed;
- internal & external key stakeholders to be identified, educated and engaged;
- connector non-profit organizations to be identified, educated and engaged; and
- at least one Hamilton Social Procurement opportunity to proceed to market.

The process began with internal meetings with Procurement staff and the consultant to outline the concept of social procurement and to identify the types of procurement opportunities best suited for social procurement related work or services. Throughout September 2018 to June of 2019, staff and the external consultant held many meetings with staff from all City departments as well as many external organizations to the City, including work force developers, employment organizations, trade and labour associations.

A list of these external organizations is as follows:

CONNECTOR ORGANIZATIONS AND WORKFORCE DEVELOPERS	
Organization	Clientele
Goodwill, The Amity Group	Jobseekers, Employers
Immigrants Working Centre	Newcomers

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John Howard Society of Hamilton Burlington & Area	Youth & Adult
March of Dimes	People with Physical Disabilities
McMaster University	Students
Mohawk College	Students
NPAAMB - Niagara Peninsula Aboriginal Area Management Board	Urban Indigenous Youth, Status, Non-Status, Metis & Inuit
Path Employment	Persons with disabilities
Skills Development Flagship	Various
Threshold School of Building	At-Risk & Marginalized Youth Aged 15- 30
Wesley Urban Ministries	Children, Youth, Family, Homeless, Newcomers, Seniors & Older Adults
YWCA Hamilton	Young women, youth

INTERNAL CITY OF HAMILTON CONNECTOR GROUP

Ontario Works Employment Services
Xperience Annex
CityHousing Hamilton

TRADE AND LABOUR ASSOCIATIONS AND ORGANIZATIONS

AECON-Six Nations Joint Venture
Christian Labour Association of Canada
Construction and Design Alliance of Ontario
Hamilton & District Heavy Construction Association
Hamilton Halton Construction Association
Hamilton Brantford Building Trades
Labourers' International Union of North America - LiUNA Local 837
Ontario General Contractors Association
Ontario Sewer and Watermain Construction Association
Progressive Contractors Association of Canada
United Brotherhood of Carpenters and Joiners

These meetings were held to inform attendees, engage in feedback on social procurement and share examples of other social procurement programs and success stories in Canada and in the world.

In December 2018, staff participated in Social Procurement Design Labs to engage in discussions and brainstorming sessions with connector organizations and work force

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developers within the following demographics within the Hamilton community: Youth, Indigenous, Persons with Disabilities, Women, Newcomers and Equity Deserving Groups.

The design labs all identified three common barriers to employment:

- access to transportation (including lack of owning or having access to a vehicle to get to work);
- lack of or access to childcare (including not being able to find childcare that would accommodate very early drop offs);
- lack of confidence to do the work (including lack of trade and social skills to work).

Based on the information received from the design labs, Procurement staff along with Public Works and Healthy and Safe Communities staff conducted nine competitive requests for proposals that included some element of social value criteria within the evaluation scoring mechanism for award. Details regarding the nine pilots is included in Appendix A to this Report.

At the July 11, 2019 Audit, Finance and Administration Committee meeting, Councillors voiced their concerns regarding the implementation of social procurement and the piloted procurement projects. Consequently, no further pilots were considered. Additionally, due to the Procurement Division's staffing resource challenges, any piloted projects that were awarded were not monitored or follow up on after July 11, 2019.

Lessons Learned through Pilots

The following are significant lessons learned from implementing the procurement process pilots:

- At the time that the pilots were carried out in 2019, social procurement was a new concept in Canada and many connector organizations and vendors were not familiar with social procurement nor with what role these organizations played within it. However, since 2019 other municipalities and organizations have adopted some form of social procurement and vendors should be more familiar with the concept. In addition, since 2019 there have been many speakers and educational sessions held throughout Ontario and Canada that have provided procurement professionals with examples and roadmaps for implementation of social procurement. This additional information and experiences should allow for an easier re-implementation of social procurement to the vendor community.

- For social procurement and social value considerations to be successful, there needs to be both a steady demand for employment and a steady supply of trained and ready for employment personnel. During the pilots, Procurement staff worked very closely with Ontario Works (“OW”) City staff and were able to pre-emptively advise OW staff when procurements having social procurement criteria would be going out for bid. Staff worked collaboratively to review the work or services required in the request for proposals (“RFP”) and consider what appropriate connector organizations to suggest to vendors in the RFP. Feedback from the vendors indicated that the guidance provided in the RFP to the appropriate connector organizations was helpful when putting together their proposal for the City’s consideration. It is important to note that OW is no longer responsible for employment programs.
- If enough lead time was given, there were instances where OW or connector organizations were able to pre-train employment candidates with the appropriate skills and training necessary for (some or all) work in the procurement contract. By having pre-screened and “employment” ready candidates, it was much easier for vendors to conduct interviews and possibly hire these candidates rather than source the candidates themselves.
- Vendors need to be advised that hiring and training social procurement candidates may require additional time and money. During the consultations with the vendor community, the City was asked by vendors to possibly carry a cash allowance for hiring and training. Additional feedback indicated that although vendors may only commit in their proposals to hiring 1 or 2 candidates, there was a very high possibility that the vendor would need to engage and work with many more candidates in order to sustain and honour the requirement of employment in the contract.
- Staff has also received feedback that although candidates were hired, some candidates dropped out of the work opportunity, requiring the vendor to move on and train another candidate or start the hiring process again.

Opportunities with Social Procurement

The following are opportunities that were present during the pilot implementations and

remain present for the re-implementation of social value procurements:

- Procurement is listed as Goal #5 in the Corporate Climate Change Goals.
- Canada has a shrinking workforce and social procurement is a way to spark interest with the candidates on OW and help them get the training and confidence they need in order to raise themselves out of poverty.
- Council has identified “Sustainable Economic and Ecological Development” as one of its priorities, designed to guide the decisions of Council and City staff. Outcomes 1 and 2 both indicate measures of success that could be positively affected through the implementation of social procurement.

Funding Opportunities

- Funding agreements by the Federal Government continue to be an opportunity for the City to fund projects. Each funding agreement contains its own list of requirements and criteria, such as “community benefits” or “social benefits” that the municipality needs to provide in order to receive the funding. In the past, the City has engaged in at least two funding agreements with social benefits:
 - Disaster Mitigation and Adaptation Fund (DMAF) project for Shoreline Protection Measures within the Landscape Architecture Division in Public Works. The fund required reporting on “Community Employment Benefits” on three of seven identified targeted groups (women, youth, apprentices, indigenous peoples, persons with disabilities, veterans, recent immigrants). City staff issued a competitive procurement process, C11-18-20 to retain Consultancy Services for Coastal Engineering Lead Consulting Teams as a strategic approach to successfully meeting the DMAF timelines. Vendors working on the DMAF shoreline projects report back to City staff on their resources who identify as members of the target groups (women, youth, and apprentices) to whom their firms could provide “community employment benefits.” City staff continue to report on the cumulative total number of hours for each group once per year to the Federal Government.
 - Investing in Canada Infrastructure Program (ICIP) within the Transit Division in Public Works. Seven projects were identified and funded by ICIP, requiring various reporting, including:

Aboriginal Consultation:

- applicable to all projects receiving ICIP funding.
- Aboriginal Consultation and Environmental smart form mandatory and required at submission of ICIP application.
- upon funding approval, full Aboriginal Consultation was required for four projects specifically identified and undertaken by the Transit Division.
- final sign-off from Mississauga's of the Credit First Nation was required prior to start of the project.

Climate Lens Assessments:

- required for projects having a total eligible cost of more than \$10M.
- The Climate Lens Assessment has 2 components: a greenhouse gas mitigation assessment and a climate change resilience assessment.
 - climate change resilience assessment assesses the vulnerability of the project to changes in climate and extreme weather across the operation and maintenance lifecycle of the facility.
 - greenhouse gas mitigation assessment assesses the greenhouse gas impact of the project.
- Climate Lens Assessments and / or Greenhouse Gas Mitigation Assessment reports required for four projects undertaken by the Transit Division.

Gender Based Analysis:

- required for projects exceeding \$50M in federal funding. Analysis was mandatory and required at submission of ICIP application.

Hamilton Youth in Construction

- The Hamilton Youth in Construction program was borne out of a progressive partnership involving the City of Hamilton Public Works Department, City of Hamilton's Xperience Annex and the Labourers International Union of North America (LIUNA). Recognizing the need to provide sustainable job opportunities to youth facing barriers to

employment, collectively a program was created to address the need for skilled labourers in the City's prosperous construction industry.

An 8-week training program is held at the E.H Mancinelli Training Centre in Grimsby, where the youth get practical experience in many facets of construction work. Upon graduation the youth receive several construction credentials to add to their job skill set and depth of knowledge in the field.

Since 2017 Hamilton Youth in Construction program has completed 11 cohorts – with the 12th scheduled to begin May 2024.

- Across 11 cohorts, we have had 85 participants.
- 48 percent have been hired in the industry.
- 15 percent were employed in unionized positions.

Key highlights of the program are:

1. Cohorts are supported by the Xperience Annex Youth Navigator who assists pre-employment support, program facilitation, and ongoing support through the program and post-completion.
2. The Xperience Annex support are an important link for youth to maintain their focus while in program, as life issues can be dealt with in a in a timely, proactive manner. Issues addressed range from homelessness and bullying to mental and physical health concerns and child visitation concerns.
3. Those who are not successful in the program remain connected to the Xperience Annex for ongoing skill building and life stability supports.
4. LiUNA staff are integral to providing the nurturing support required by the participants for skill building and successful completion of the program.

Re-Implementation or Continuation of Social Procurement

The following are viewed as requirements to the re-implementation of social procurement within the City:

- Creating and maintaining the supply of trainable or trained candidates to meet the demand from vendors in response to the City's procurement opportunities will be very challenging. Procurement is aware that we will need to implement social procurement requirements in our contracts on a

gradual basis since connector organizations may not have the candidates ready for employment. This will be especially required when the City begins to issue Request for Tenders for construction.

- At the July 11, 2019 Audit, Finance and Administration Committee meeting, Committee raised concerns about social procurement to staff, in particularly their concerns regarding:
 - any decrease in the number of vendors bidding our work because of social procurement requirements (and going to another municipality to perform work);
 - trade union requirements and making it difficult for vendors to honour their obligations under collective agreements;
 - additional risk as seen by the vendor to undertake social procurement requirements;
 - unwillingness to allow costs to increase resulting from the social procurement requirements in the contract.

- When social procurement was implemented in June 2018, Procurement staff worked quite extensively with OW staff. OW staff were the main point of contact for both Procurement staff and connector organizations for the pilot projects. OW staff were able to help Procurement identify what connector organizations would fit best with the social value achievements being sought from the pilot and they were also able to engage the connectors organizations on behalf of Procurement.

However, since 2019 there have been service and program changes in OW which, should social procurement be reimplemented, will have an impact on how Procurement staff carry out their processes. Procurement will need to reconsider how it is able to engage connector organizations and how best to proceed in light of changes in the OW.

Construction Industry

- Social value initiatives can be generated using different procurement methods. All of the pilots that the Procurement implemented factored social value in the evaluation criteria in an RFP, thereby allowing vendors to choose from several different options to satisfy these criteria, be scored accordingly and be included in the basis of award of the contract.

- The alternative to using an RFP would be to use a Request for Tenders

(“RFT”) which does not include evaluation criteria in the basis of award. To utilize a RFT, the specifications would need to include and be very prescriptive on the allowable social value requirements upon the vendor. The City would be dictating the elements or requirements of social value to the vendor rather than the vendor providing their recommendation as to what would work best. Should we factor social value into an RFT, staff will need to develop reasonable expectations for requirements imposed upon the vendor and state those clearly within the RFT and contract.

- At the time of the pilot implementations, the construction vendor community was very averse to having additional requirements imposed upon them. In the outreach sessions and discussions with the industry, vendors were very vocal with their concerns and were pre-emptive in their belief that social procurement would fail. For instance, one of their main concerns was safety on the site and having to employ people who were not trained properly. City staff fully understood and voiced its support that the requirement for safety is crucial at all times and reinforced that the City would not impose unsafe requirements or expectations upon the vendor.
- Procurement had many meetings with trade associations and unions to address their concerns of the City implementing social procurement requirements within a RFT without any further consultation. Procurement always took the stance that the implementation of social value procurement would not be undertaken in construction related projects until ample consultation and discussions had taken place with the construction industry to work towards a successful outcome.
- Regardless of the construction community concerns, the City has funding agreements that may require community or social benefits in construction related procurements. In order to suffice those agreements, the City will need to calculate what those benefits are and how they will be prescribed in any RFP or RFT without undue hardship or extended safety concerns for the contractor.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report FCS24035: List of Procurement Pilots Undertaken Utilizing Social Value

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Appendix “B” to Report FCS24035: Sandra Hamilton, Price Taker or Market Mover:
SDG#1 Exploring the Role of Public Procurement
as a Poverty Reduction Tool in the City of
Hamilton, Sequoia Group Limited, 2019

OUR Vision: To be the best place to raise a child and age successfully.
OUR Mission: To provide high quality cost conscious public services that contribute to a healthy,
safe and prosperous community, in a sustainable manner.
OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service,
Engaged Empowered Employees.

List of Procurement Pilots Undertaken Utilizing Social Value

Contract	Division/ Department	Social Value Impact – Evaluation Criteria and/or Terms of Reference Requirements
C11-52-18 Security Guard Services for the City of Hamilton	Corporate Facilities and Energy Management ("CFEM"), Public Works	<ul style="list-style-type: none"> • What training is provided to your front-line staff regarding cultural diversity? Employer to provide the regular schedule, one-month in advance.
C11-43-19 Supply, Delivery, Installation and Maintenance of New and Existing Water Meters for the City of Hamilton	Hamilton Water, Public Works	<ul style="list-style-type: none"> • Recommend water meter installers hired from YWCA. • Provision of a vehicle for work purposes. • Hire individuals for home-based call centre. • Provide work schedules starting at 9:30am or later (for childcare purposes). • Welcoming workplace & educational opportunities.
C5-10-19 Vision Screening Protocol for SK Students	Healthy Families, Public Health, Healthy and Safe Communities	<ul style="list-style-type: none"> • Hire to perform Vision Screening or administrative work for the Term of the Contract. YWCA identified. • Provision to provide flexible work schedules to balance child care needs with the start of the Vision Screening day. • Provide assistance with overcoming transportation barriers for individuals hired through the YWCA and indicate how this will be achieved.
C11-32-19 Telephone Survey Services for Our Citizen Survey	Office of the Auditor General, City Manager's Office	<ul style="list-style-type: none"> • Minimum of 5 temporary full-time positions available to single parents, who will be recruited through the city's partnership with the YWCA or Path Employment. • Creating home-based call centre opportunities to help lift local residents, living with a physical disability out of poverty. • Minimum hours of guaranteed work hours per month. • Diversity and inclusion policy.

<p>C11-15-19 Prime Consultant Services for Sir Wilfrid Laurier New Gymnasium Replacement</p>	<p>CFEM, Public Works</p>	<ul style="list-style-type: none"> • Place one currently unemployed individual(s) into a full-time position, or for shorter period of time (2 months); Path Employment recommended. • Providing part-time workers with a minimum number of guaranteed work hours per month and by providing part-time workers/contractors with a minimum of one-months’ notice of the work schedule. • Other suggested business practice changes. • Commitment to foster diversity & inclusion in the workplace during this contract, including working with City’s connector organization(s) to host and/or attend a diversity & inclusion workshops.
<p>C12-08-19 Integrated Pest Control Management</p>	<p>Corporate Contract / CFEM, Public Works</p>	<ul style="list-style-type: none"> • Minimum one month’s advance notice of work schedule. • Pay for necessary education for candidates (part-time or full-time) recruited under this Contract through the Wesley Services and NPAAMB Indigenous Youth Employment & Training. • A diversity and inclusion policy. • Made a contract-specific commitment to foster diversity and inclusion in the workplace during this Contract. • Commitment to work with the City’s connector organization(s) to host and/or attend a diversity and inclusion workshops. • Commitment to providing job shadowing and formal mentorships programs to improve workplace access and integration for equity seeking groups. • Proponent may demonstrate a commitment to education and to providing a welcoming workplace.

<p>C18-12-19 Prime Consultant for New Passive House</p>	<p>CityHousing Hamilton & CFEM, Public Works</p>	<ul style="list-style-type: none"> • Commit to work with Path Employment to place: one currently unemployed individual(s) into a full- time position, which will be job carved to meet their distinct abilities. • Work experience opportunity, of at least 2 months, which will be job carved to meet their distinct abilities. • Providing flexible workplaces for all staff E.g. core office hours, home based work, late start times. • Commitment to providing income stability, by providing part-time workers with a minimum number of guaranteed work hours per month and by providing part-time workers/contractors with a minimum of one-months’ notice of the work schedule. • Any additional business practice changes that shall be implemented in order to help improve the lives of people living with a disability, in poverty.
<p>C18-13-19 Prime Consultant Services for New 55 Unit Apartment Building at 104- 106 Bay Street North</p>	<p>CityHousing Hamilton & CFEM, Public Works</p>	<ul style="list-style-type: none"> • Commit to work with Path Employment to place: one currently unemployed individual(s) into a full- time position, which will be job carved to meet their distinct abilities. • Work experience opportunity, of at least 2 months, which will be job carved to meet their distinct abilities. • Providing flexible workplaces for all staff E.g. core office hours, home based work, late start times. • Commitment to providing income stability, by providing part-time workers with a minimum number of guaranteed work hours per month and by providing part-time workers/contractors with a minimum of one-months’ notice of the work schedule. • Any additional business practice changes that shall be implemented in order to help improve the lives of people living with a disability, in poverty.

<p>C8-01-19 Security Guard Services for the Hamilton Public Library</p>	<p>Hamilton Public Library</p>	<ul style="list-style-type: none">• Employer to provide the regular schedule, one-month in advance.• Proponents shall provide details on whether they are an employer of choice and outline steps they have taken to provide a total compensation package for the Security Guards. Preference will be given to Proponent's who provide extended health benefits, life insurance, dental insurance or other similar types of additional coverage and benefits.
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Price Taker or Market Mover?



SDG#1 Exploring the role of Public Procurement as a Poverty Reduction Tool in The City of Hamilton

June 2019

Author: Sandra Hamilton
Strategic Public Procurement Advisor & Canada's First Social MBA

Legal Disclaimer: This report represents the opinion and recommendations of the author and does not constitute legal advice. Independent legal counsel is advised.

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Sandra Hamilton is a Strategic Procurement Advisor and Canada's First Social MBA.

She is the author of both BC's and Alberta's first Social Procurement Frameworks; serves as an advisor to the Ontario Public Buyers Association (OPBA) and to CCSR – Canadian Business for Social Responsibility. Hamilton works primarily in BC, Alberta and Ontario leading demonstration projects designed to transform the role of public procurement from 'Price Taker to Market Mover'. She is currently pursuing a PhD in Public Procurement and Innovation: Measuring Policy and Impact at the Alliance School of Business, University of Manchester, England, UK.

Hamilton foresees a future where all taxpayer funded contracts are designed to move markets toward the 2030 UN Sustainable Development Goals; are fully leveraged to generate incremental public value; to align and support key environmental, social and economic public policy goals. Known for her progressive, trade agreement compliant approach in 2017, Hamilton was nominated by Global Affairs Canada to profile her work at the World Trade Organization (WTO) Symposium on Sustainable Government Procurement in Geneva.

www.SandraHamilton.ca

City of Hamilton Vision:
To Be The Best Place To Raise a Child & Age Successfully

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EXECUTIVE SUMMARY – THE LANDSCAPE

Across Canada, and globally, the role of public procurement in being transformed from transactional to a much more strategic function, that is being increasingly leveraged to address major public policy issues :-

People: Poverty, Inequality, Indigenous Reconciliation, The Skills Gap and The Shrinking Workforce

Planet: The Climate Crisis, the Circular Economy, Reduced Waste & GHG Emissions, Renewable Energy, Total Lifecycle Accounting, Green Technologies, Net Zero and Low Carbon Buildings

Profit: Community Economic Development, SME Access to Public Contracts and a Catalyst for Innovation

What is the Role of Procurement at the City of Hamilton?

To date, procurement at the city has been primarily transactional, driven by operational speed to market large contracts, lowest price and fast turnarounds. Over the last year, three departments – Public Works, Healthy Safe Communities and Corporate Services, have worked together with key community stakeholders to explore the role and responsibility of public procurement as a poverty reduction tool in the city. While the project, and this report, focuses on the strategic objective of poverty reduction, the initiative has highlighted significant opportunities to better leverage city spend to align and support other strategic objectives such as the climate crisis, and improved access to city contracts for local small businesses and nonprofit organizations.

Skills Shortages: Federal Grants Increasingly Tied to Community Benefits and Procurement

Canada is facing a significant skills shortage, which is already being felt in Hamilton. Despite some neighbourhoods experiencing over 50 percent unemployment, gentle employment opportunities and Social Enterprises are lacking in Hamilton. The skills deficit and labour market shortages are recurring themes in meetings with Public Works staff. One incumbent city contractor has recently resorted to recruiting heavy duty mechanics in Ireland; a consequence perhaps, of Canada's public sector being overly focused on low bid construction contracts, leading to a market failure where there has been insufficient training and apprentices developed to replace the retiring baby boomers. To help address this issue, the Government of Canada's 'Investing in Canada Infrastructure Program' requires cities applying for hundreds of millions in federal grants, to demonstrate how projects will be leveraged to generate training, apprenticeship and employment opportunities for equity seeking groups. *"Implicated projects are to provide employment and/or procurement opportunities for at least three of the groups targeted by the initiative: apprentices; Indigenous peoples; women; persons with disabilities; veterans; youth; recent immigrants; and small-sized, medium-sized and social enterprises."*¹

UK: Social Value-Led Procurement Driving Higher Economic Growth - 82 percent of local UK councils believe that spending public money focusing on social value, rather than just focusing on the cheapest product, generates higher levels of growth. In January 2013, the UK passed the Social Value Act. In February 2014, the EU followed, issuing a directive for all European countries to consider Social Value in public procurement.²

Global: 2030 UN Sustainable Development Goals (SDG's) - Government procurement globally is increasingly being leveraged to move markets toward the seventeen SDG's. This month the OECD highlighted the need for advanced economies to accelerate these efforts, particularly on the Social Goals - SDG 1 (no poverty), SDG 5 (gender equality), SDG 10 (reduced inequalities) and SDG 16 (peace, justice and strong institutions). Through this project the City of Hamilton has started the process of better leveraging existing spend to improve lives and accelerate progress toward SDG #1 – No Poverty.

¹ <https://www.infrastructure.qc.ca/pub/other-autre/ceb-ace-eng.html>

² <http://www.infrastructure-intelligence.com/article/may-2019/social-value-led-procurement-driving-higher-economic-growth-says-report>

Price Taker or Market Mover?

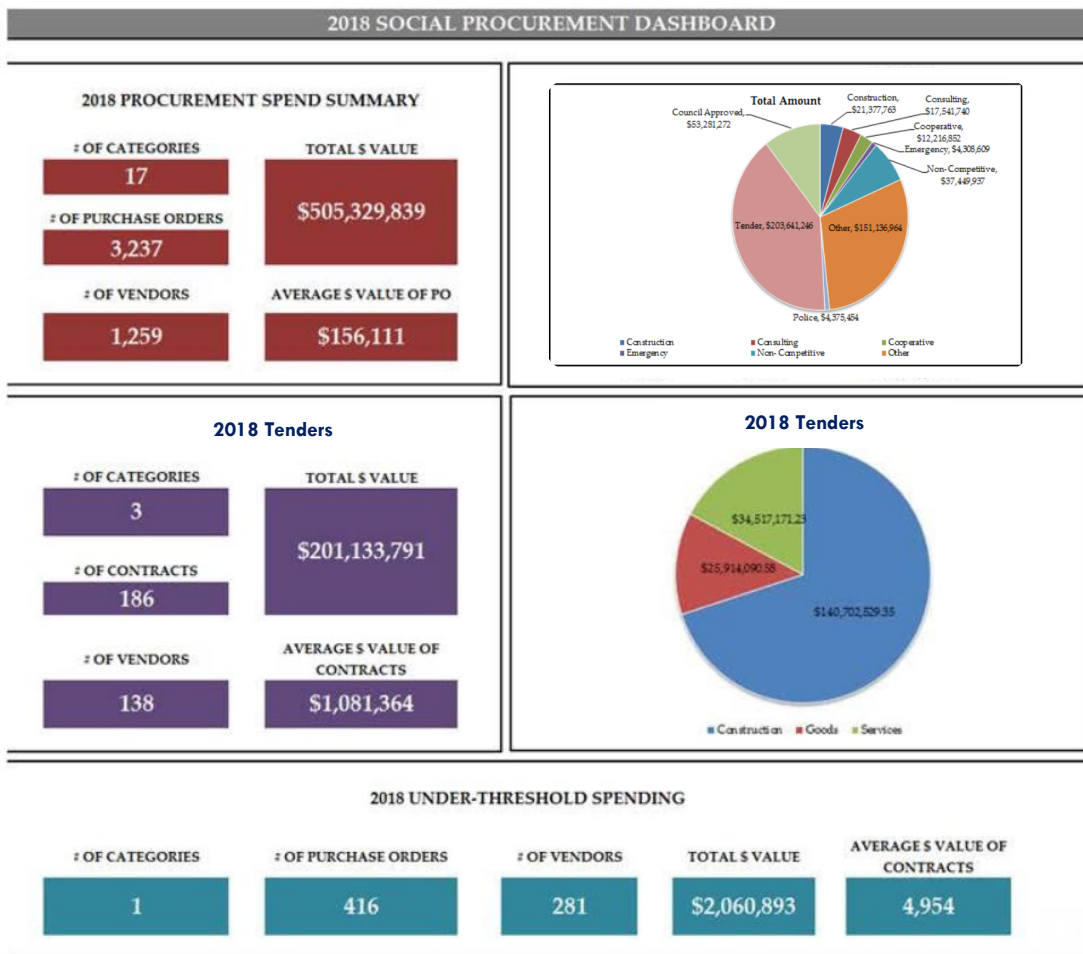
IPPA Conference: Public Procurement - Humdrum Bureaucratic Beast or Vital Instrument for Social Change?³

In June 2019, Canada will host the IPPA – International Public Policy Association annual conference in Montreal, where the question above is being asked. The fact that public procurement is on the IPPA Agenda at all, demonstrates the increasing level of global interest in the type of work being conducted at the City of Hamilton.

How Canada’s big cities spend matters - 87 percent of public procurement in Canada is spent at the sub-national level, leaving only 13 percent of spend at the federal level. Compare this to the UK where 60 percent of public procurement is controlled by central governments. The Government of Canada has the lowest percentage of national spend among all OECD advanced economies. In such a de-centralised federation, how Canada’s big cities spend matters. Public procurement has the potential to move markets and shape economies. Additionally, a tax dollar carries a much greater societal responsibility than a private sector dollar and is being increasingly leveraged to deliver incremental public value and support strategic priorities.

City of Hamilton Procurement Overview – New content

Canada’s major cities have the spending power to move markets, drive local economies and generate significant incremental public value. The City of Hamilton spends over \$500 million annually and how value is defined matters. Over the last year, the most opportunity to generate incremental social value was found in the RFP Entry-level Services category, which is valued at over \$151 million and shown in orange in the pie chart below.

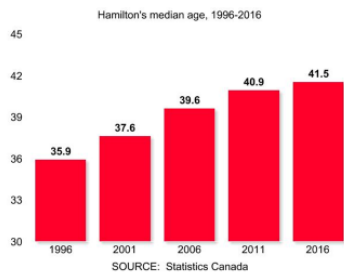


³ <http://www.ippapublicpolicy.org/conference/icpp4-montreal-2019/schedule-multisession/10/94>

Canada's Shrinking Work Force - Canada's record low unemployment numbers provide only part of the labour market story. The, little discussed, participation rate matters. Europe is working to achieve a 75 percent participation rate by 2020. In March 2019, Canada's national participation rate was 65 percent and declining. At 54 percent⁴, Vancouver Island has the lowest participation rate in Canada. In Hamilton, 61.4 percent (October 2018) of the working population is working. Early retiring baby boomers account for only part of the story. Discouraged workers, those who have not actively looked for work in the last four-weeks, simply vanish from the unemployment numbers and from the labour market. Across Canada youth unemployment (age 15-24) is typically double the provincial average. Re-engaging this invisible workforce is key to reducing poverty, to increasing the work force and to building more healthy, resilient communities.



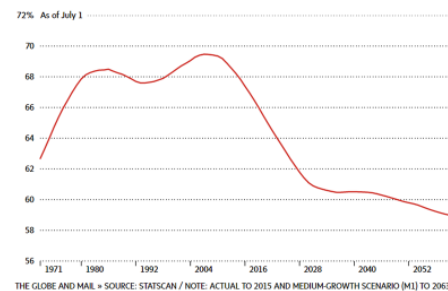
Hamilton – the oldest average age of Canada's 10 largest municipalities



% of Working Age Canadians as a share of the total population

- ▶ 78% UK Average – Europe's 2020 Target = 75%
- ▶ 61.4% Hamilton, ON Participation rate (Oct 2018)
- ▶ 54% - Vancouver Island Participation rate = Lowest in BC

Working age share of population



While, Canada generally has a shrinking workforce, the indigenous youth demographic is growing four times faster than the non-indigenous youth demographic. In 2020, 400,000 indigenous youth will enter Canada's workforce. The Truth and Reconciliation (TRC) *Calls to Action* commits The Government of Canada, indeed all us, to break the cycle of poverty for the next generation of indigenous youth. At every level of government Indigenous hiring policies are increasingly at the core of TRC commitments to Indigenous People.

Six Nations is the largest First Nations reserve in Canada, with over 27,000 members, almost 13,000 of whom live on the reserve. NPAAMB – the Niagara Peninsula Aboriginal Area Management Board, a partner in this project, is a strong connector organization with which the City of Hamilton, and city suppliers, can partner to engage, train and employ Indigenous Urban Youth aged 15 to 30. NPAAMB is the regional contract holder responsible for delivering the federally funded ISET – Indigenous Skills, Employment and Training program.

Connector Organizations and Strategic Procurement – *The Golden Thread of Horizontal Governance*

Prior to this project, connector organizations, such as NPAAMB, Ontario Works (OW) Employment Services, Path Employment, YWCA (see Appendix 3) have been completely disconnected from Public Works pre-procurement planning and procurement process. For example, while one department in the city is investing in training OW clients to become Security Guards, another department is proceeding to market for a citywide security contract. Without collaboration, the opportunity to reward city suppliers for recruiting recently qualified OW graduates of the Security Guard program is missed.

⁴ Stats Can 2016 – Labour Force Participation Rate

Price Taker or Market Mover?

Connector organizations are essential partners in the delivery of Social Procurement, they are also key to ensuring that the system is trade agreement compliant.

Precarious Work – Good Jobs and The Social Price of Best Price

Services represent an increasing share of the Canadian economy and low-prices are often achieved through an increase in the precarious nature of work. Without taking a more holistic view and considering the Social Price of Best Price, it is possible that one city department is driving people into poverty, while another is working to alleviate poverty. At the very least, taxpayer funded systems need to ensure that service contracts are providing stable work and fair wages, that are not driving people further into poverty.

OW – Ontario Works – Overcoming the Myths

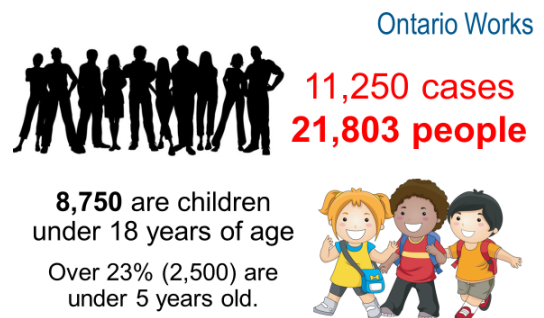
In a city with the goal of being “the best place to raise a child” almost one in five children are living in poverty. 23 percent of all Ontario Works cases are children under 5 years old. Hamilton has the third highest infant childcare costs in Canada, and it should come as no surprise that a sole-support parent receiving \$1,002 in monthly OW support, might find \$1,497 in infant care costs to be a significant barrier to employment. Additionally, the responsibility of child and seniors care continues to fall disproportionately on the shoulders of women. The majority, 57 percent, of OW cases are Hamilton residents aged 25-44, in the prime of their working lives, but also in the prime age range for raising children.

Early start times, inflexible workplaces and transportation barriers continue to keep many willing workers out of the labour market. Accessing this currently invisible labour market could, for many, be as simple as allowing later start times and fostering more flexible, family friendly workplaces.

Precarious Work: 14 percent of Ontario Works clients are working in such low wage, precarious employment that they still qualify for OW. Under the existing system, the City of Hamilton cannot be sure that these precarious workers are not currently employed on city service contracts, which unlike construction, do not yet require payment of a Fair Wage or Living Wage.

Income instability leads to more poverty than a stable low-income. For this reason, the Social Procurement Framework, recommends that all city contracts involving part-time workers, must include a clause requiring employers to provide at least one-months’ advance notice of a worker’s schedule. For low-income, precarious workers, those balancing two or three jobs with childcare arrangements, increased income stability and predictable work schedules can dramatically improve the lives of lower-income families.

In April 2019, Ontario Works employment services was managing 11,250 cases, representing a total of 21,803 people, 8,750 of whom were children.



Designing the Social Procurement Framework - June 2018 to June 2019

Over the last year, the following key stakeholders have been involved in education sessions and/or design labs which helped shape the design of the Social Procurement Framework (See Appendix 4). Page one of the two-page framework provides a recommended approach for the major categories of spend controlled by the trade agreements. Page two highlights opportunities outside of the trade agreements; opportunities to drive social and economic outcomes which are governed by, and at the sole discretion, of council.

Key Stakeholders

City of Hamilton

Public Works (PW)

Healthy Safe Communities (HSC)

Corporate Services (CS)

CS - Procurement Services

HSC - Ontario Works Employment Services

HSC - Neighbourhood Action

HSC - Xperience Annex

PW - HYIC – Hamilton Youth in Construction

CS - Human Resources, Talent & Diversity

CS - Legal

Industry and Trades Unions

HHCA: Hamilton Halton Construction Assn.

HAND ASSN – Hamilton & Niagara District
Water & Sewer Assn.

HBBCT: Hamilton Brantford Building Construction
Trades Council

Connector Organizations – Workforce Developers

Goodwill

IWC- Immigrant Working Centre

John Howard Society

LIUNA – Local 837

NPAAMB- Niagara Peninsula Aboriginal Area MB

Path Employment Services

Rainbows End

Threshold School of Building

Wesley

YWCA

Skills Development Flagship Network

Job Developers Network

Educational Institutions

Mohawk College – Job Developers

McMaster – Job Developers

McMaster – Research & Faculty Interest

McMaster – HAIL – Anchor Institutions Strategy

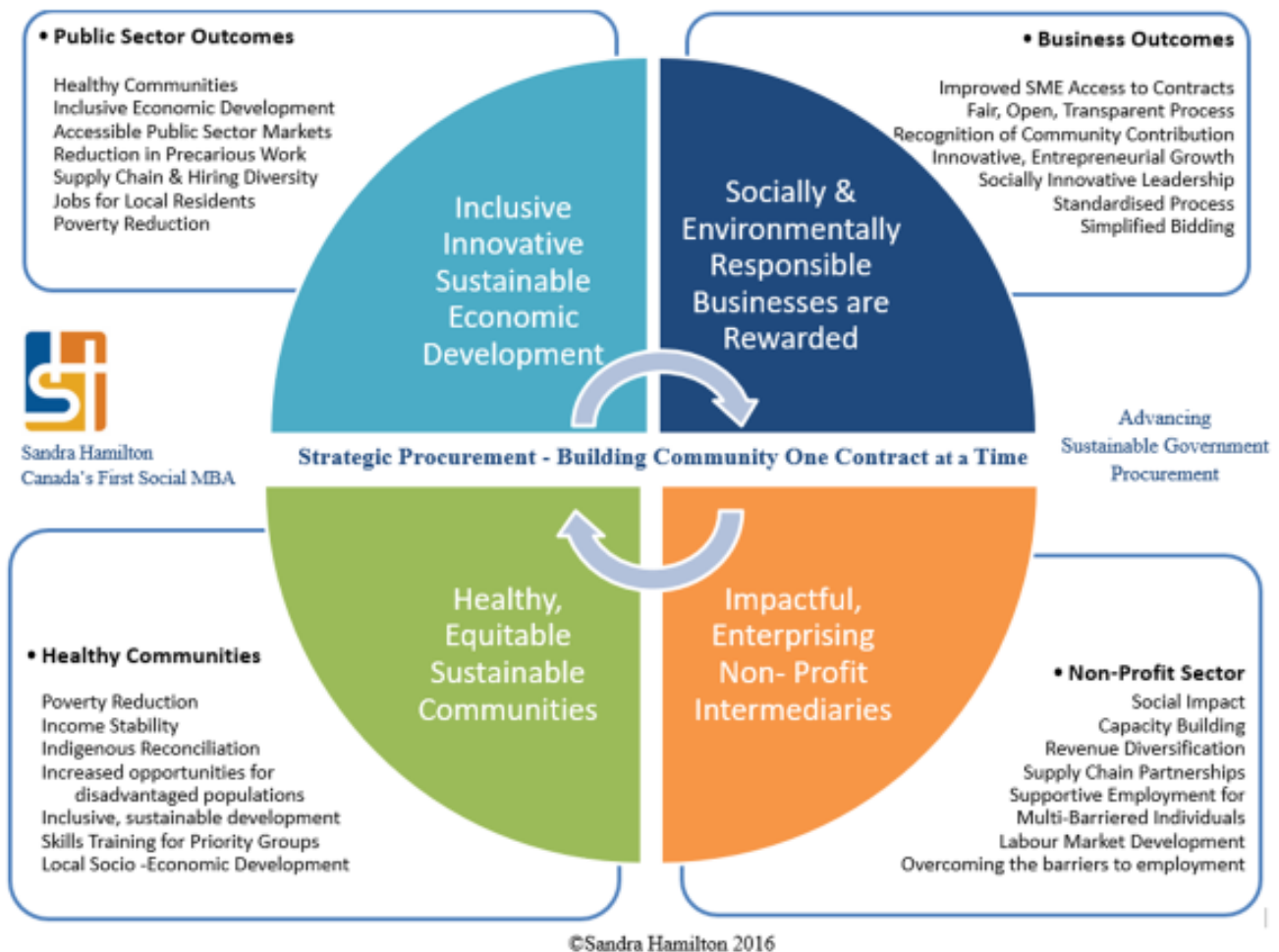
HAND Association: Consistent with the position of the Ontario Water & Sewer Association's provincial position, unfortunately, despite significant engagement and accommodations, the local HAND Association is one key stakeholder not in favour of Social Procurement. (Letter Appendix 5)

CCA - Canadian Construction Association's

Top 5 Industry trends for 2019 are:

1. Confidence in Canada
2. **Competition for Talent**
3. **Inclusive Workplaces**
4. **Social Procurement**
5. Millennial Leadership

Strategic Procurement acts as a Golden Thread, linking and strengthening workforce development pathways, promoting joined up thinking across existing taxpayer funded systems. If we want a more socially and environmentally responsible business community, social and environmental responsibility must be rewarded in public procurement and the significant cash flow of the nonprofit sector must be more integrated into the mainstream economy.



Canada has the second largest nonprofit sector in the world, second only to the Netherlands.

One in ten Canadians work in the nonprofit sector, which is responsible for 8 percent of GDP; bigger than manufacturing, yet we know very little about it. Public procurement typically represents 12 to 14 percent of a country's economy. By designing public procurement to foster linkages between the business community and the non-profit community, more of the non-profit cash flow becomes integrated and mainstreamed to the benefit of the whole community.

In such a tight labour market why is it that one in every three workers is still not working?

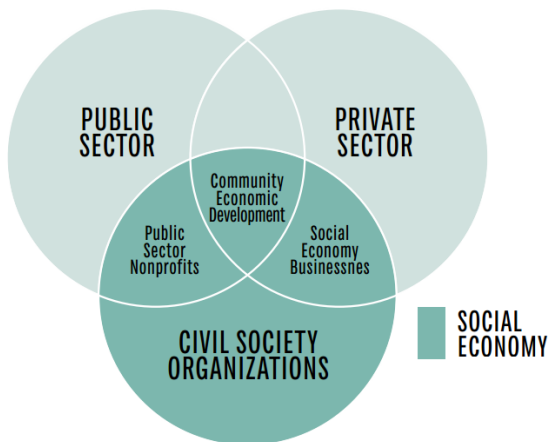
Business as usual will not help employers, public or private, engage this labour market. As CCA has recognized, the increased competition to attract and retain talent will require the development of much more inclusive and welcoming workplaces. For Hamilton residents with minimal barriers to employment, childcare and transportation etc., strategic public procurement, when delivered in partnership with Connector Organizations, is an effective mechanism to incent business practice changes, training programs/apprenticeships and to reward the employment of equity seeking groups. Over the course of the project, entry-level service contracts, category 4 in the Social Procurement Framework, were identified as the procurement category with the most potential to lift people out of poverty.

The Biggest Surprises of the Project – The Missing Social Enterprise Sector

For a city with such high levels of poverty, it was most surprising to see that, despite the high need for gentle employment, the Social Enterprise sector in the City of Hamilton, remains completely under-developed. Further research uncovered, that by treating nonprofit and for profits as one and the same, the city's current procurement policy, poses a major barrier to the development of Social Enterprises. The City of Hamilton's procurement policy is currently more restrictive than the international (CETA)⁵ or domestic (CFTA)⁶ trade agreements. The Social Procurement Framework, category 11(a), (b) and (c) recommends a policy change to provide alignment with the trade agreements and to support the development of Social Enterprises in the city.

Taxpayer funded systems have a strong moral and ethical responsibility to provide gentle employment opportunities, transitionally or permanently for vulnerable populations living in poverty. To provide the dignity of work and to strengthen workforce development pathways into the mainstream economy, the City of Hamilton, is advised to look to Glasgow, Scotland and embark on a major Social Enterprise Development initiative. The opportunities are significant. **Scotland was the first country in the world to adopt Social Procurement.**

With almost 600,000 residents the City of Glasgow, shares a similar population and industrial history, to the City of Hamilton. Glasgow, however, is home to 700 Social Enterprises having launched a ten-year strategy to become the social enterprise capital of Scotland; a place where economic activity works for people, and profit is used for social and environmental change.⁷



Understanding the Social Economy Diagram

Adapted from
"An Interactive View of the Social Economy,"
by Jack Quarter and Laurie Mook, 2010, ANSERJ

Canadian Journal of
Nonprofit and Social Economy Research, vol. 1, no. 1.
Quarter and Mook 2010.

Developing a Social Enterprise sector in Hamilton

City Housing alone has 600 vacancy turnarounds annually, providing an excellent Social Enterprise opportunity. Through this project numerous Social Enterprise opportunities were identified in pest control; junk removal; landscaping; janitorial – interior; commercial cleaning - bus stops cleaning, police car washing; small repairs and maintenance contracts; vacancy turnovers; and painting etc.

A key recommendation is that the city develops a Social Enterprise strategy, changes the procurement policy and establishes a process to determine whether the most public value will be generated by delivering a project internally; through a grant to a community partner; through a limited procurement restricted to non-profit organizations and/or when a conventional competitive process is the best approach to use.

⁵ CETA: Comprehensive Economic Trade Agreement – International - Canada and Europe

⁶ CFTA: Canadian Free Trade Agreement – Domestic

⁷ <https://www.glasgow.gov.uk/CHttpHandler.ashx?id=42639&p=0>

Leveraging Procurement to Alleviate Poverty in The City of Hamilton

What does Social Procurement look like in practice?

Hamilton Water was the first Public Works department to step-up and pursue a project through a social value lens. Understanding that low self-esteem, childcare and transportation present the three largest barriers to employment for people living in poverty, step one involved a review of the previous residential water meter service contract. Two barriers to employment and two opportunities to improve the lives of people living in poverty were identified.

STEP ONE: Contract Review – A Service Contract to Install Residential Water Meters

The Barriers

- 1) Childcare Barrier: Hamilton has the third highest (Infant) childcare costs in Canada. The 8am start time posed an immediate barrier for low-income parents unable to afford childcare.
- 2) Transportation Barrier: The contract required employees to provide their own reliable vehicle. People living in poverty don't typically own vehicles, reliable or otherwise.

The Opportunities

- 1) Most of the work was straightforward with a very low barrier to entry – only 5 days training required
- 2) Call Centres – Could this work be home-based, providing ongoing work for people with disabilities?

STEP TWO: Challenging Institutional Beliefs and Systems

Why did the work shift start at 8am? As early morning childcare is much more difficult to source than after-school care, staff explored if the work could start after children had been dropped at school. We learned that yes, in fact, Hamilton residents have been requesting service appointments to install water meters after 4pm for years.

Would it cost more to provide company vehicles to employees? Firstly, let's consider whether workers should be asked to provide their own vehicle to deliver ongoing public services? And, no, it actually costs less to lease a vehicle than to pay employees for the personal use of their own vehicle. In fact, the city's own travel policy requires staff to use rental cars, rather than their own cars for longer trips.

Could single-mums be trained to perform this traditionally, male-dominated work?

One in five children in Hamilton live in poverty, many live in single-parent households headed by women. It was initially assumed that this work would need to be conducted by plumbers or plumbing apprenticeships. Further investigation revealed that 90 percent of the work is very straightforward, does not require a plumber and can be performed by a worker with a ticket that can be attained with only 5 days training.

Could the call centre work be home-based?

70 percent of people with a disability in Canada live in poverty. Although most disabilities are not visible, living with a disability of any kind, presents people with significant barriers to employment. Advances in technology have made home-based call centres operationally and financially viable, providing excellent opportunities to re-engage people with disabilities who would prefer to work from home, with publicly funded stable work opportunities.

Imagine this concept at scale, where many of the city's call-centre workers could be redeployed to a home-based model, improving workplace flexibility, reducing the expense of commercial office space with the additional benefit of reducing the carbon footprint of commuters.

Ontario's Integrated Municipal System – Strengthens the Delivery of Strategic Social Procurement

Ontario is the only province in Canada with an integrated municipal system. Having Ontario Works Employment Services embedded within the city proved to be an incredible asset. By including procurement and Ontario Works staff at the very beginning of the water meter project, Hamilton Water was connected to the YWCA and to Path Employment. Two connector organizations able to identify single mums and people with disabilities, who are currently Ontario Works clients, and would be interested in positions on the upcoming contract.

Ontario Works was also able to work with Mohawk College to ensure that the training will be in place for the YWCA candidates interested in pursuing the water meter installation 5-day ticket.

The Procurement Re-Design

With the procurement strategy and connector organizations in place the Social RFP – Request for Proposals was ready to proceed to market. Social Value represented 10 percent, (equal to 100 Points) with a mandatory 30 points required as the minimum benchmark needed to be a compliant bid. Proponents were asked and evaluated against the following social value criteria:-

1. **Employment: Maximum 30 Points**
How many installer positions will you commit to filling through the city's partnership with the YWCA?
2. **Transportation: Maximum 20 Points**
Willingness to provide a company vehicle to the installers recruited through YWCA?
3. **Home-Based Call Centres: Maximum 30 Points**
How many position will you commit to filling through the city's partnership with Path Employment?
4. **Business Practice Change: Maximum 10 Points**
Willingness to provide work schedules to candidates recruited through the YWCA starting at 9.30am or later?
5. **Welcoming Workplace & Educational Opportunities: Maximum 10 Points**
Has a diversity and inclusion policy and commits to contract-specific commitments to improve workplace access for equity seeking groups

Summary

To Follow once the procurement has closed.

Extended to June 12th

Notes: One request for an extension related to the proponent needing more time to research home-based call centre technology.



Key Findings and Recommendations

The key findings from the City of Hamilton’s Strategic Social Procurement initiative are :-

- **The Biggest Opportunities to Alleviate Poverty are** in the Entry-Level Service Category and in transforming the city’s relationship with non-profit partners to stimulate the development of a Social Enterprise sector

Recommendation: Adopt a Social Value lens to procurement.

Change the procurement policy to align with both the domestic and international trade agreements by adopting a non-profit exclusion. Change the procurement policy language to support the development of a nonprofit Social Enterprise sector. Change the procurement policy to read that procurement must be fully leveraged to achieve secondary Social and/or Environmental objectives in alignment with the Strategic Plan.

- **Senior leadership are open and receptive** to the concept of leveraging procurement to reduce poverty and generate incremental public value. Procurement staff turnover is however, exceptionally high, very operational and time-pressed, with little to no capacity to explore new approaches which deviate from the status quo. An under resourced procurement department, is very likely a false economy.

Recommendation: Immediately appoint a dedicated Project Lead to advance this work - this role could be delivered by the new Sustainability Lead, a position recently created in Public Works.

Continue to develop organizational capacity by implementing Social Procurement on Category 4 RFP entry-level service contracts.

Seek clarity and direction from council before adding Social Value criteria into tenders; and considering council’s climate-crisis declaration explore how circular and green criteria will be approached in a more strategic, sustainable, responsible approach to procurement at the city.

Explore federal (ISETS- ESDC), provincial skills (Ontario Labour/Skills Development) and FCM – (Green Municipal Fund) grants/resources to fund increased Sustainable Procurement activities.

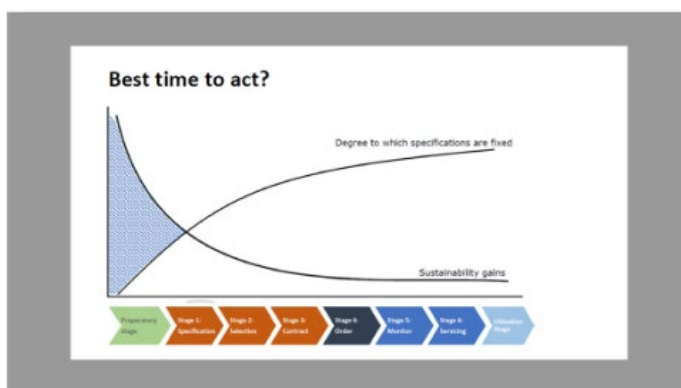
- **Lack of Strategic Procurement representation at the SLT executive level.** To date, the power of Strategic Procurement as a public policy lever has been overlooked. To fully leverage spend to align and support citywide policy objectives, a heightened awareness of Strategic Procurement is needed at the Senior Leadership Table. The City of Toronto now has a Chief Purchasing Official, Michael

Pacholok, who oversees \$2 billion in goods and services annually. Toronto’s CPO is responsible for leading the implementation of Toronto’s Circular Economy Framework.

Recommendation:

Consider when the city will need a Chief Procurement Officer.

Engage procurement early and at the start of new projects. The strategic window of opportunity to fully leverage city spend is small and very early in the process.



Procurement & OW MUST be engaged at the very beginning of the project



- **Operational Resources and Competing Priorities**

Over the course of this one-year project, the procurement department lost over half of the staff and was in a constant state of turnover. While staff understand the importance of global visions and national aspirations, such as strategically leveraging public procurement to reduce poverty and to move markets toward the UN Sustainable Development Goals, municipal procurement departments do not receive the resources necessary to fully deliver. The implementation of CETA, and more recently the Construction Act, provide examples of federal and provincial initiatives that remain under-resourced and have stretched the procurement department.

Recommendation: Review resource allocation. If procurement remains inadequately resourced as an administrative transactional function, employee churn will remain high as staff seek and move into more highly compensated roles throughout the city.

Public Sector entities across Canada are fully leveraging their spend to achieve secondary public policy goals by modernizing the role of procurement and by recruiting and retaining a higher caliber of procurement professional.

There is evidence that the same is true among many low-paid staff on low-bid city contracts. In an increasingly tight labour market, the increased financial and operational costs of high employee churn must also be considered. Research shows that moving away from the lowest cost price-point reduces supply chain risk.

Note: The OPBA – Ontario Public Buyers Association is aware of the pressures to transform procurement and is in early discussions regarding the viability of a national Strategic Procurement Centre of Excellence, which would provide a knowledge hub, best practices and resources to support municipalities in advancing this work.

- **Connector Organizations** – Many myths exist about people living in poverty. Through five Social Procurement Design Labs, three dominant themes emerged as the primary barriers to employment
1) Lack of Self-Esteem 2) Transportation Barriers and 3) Childcare Barriers

These three themes are not unique to Hamilton. The same barriers to employment can be found amongst people living in poverty across Canada.

Recommendation: Seek council approval to incorporate social value criteria in keeping with the framework and amend any policy changes accordingly

- **The Demonstration Projects Transformed How Value was Defined**

In the Demonstration Social RFP's (Request for Proposals) for services, Social Value represented 10 percent of the total evaluation criteria and was made up of three category levels:-

1) **Employment and Training Commitments** received the highest weighting

2) **Business Practice Changes** received mid-level weightings designed to incentivize workplace flexibility/late start times designed to help overcome childcare and transportation barriers and

3) **Education** to help foster more inclusive, diverse and Welcoming Workplaces

Recommendation: Seek council approval to incorporate social value criteria in keeping with the framework and amend any policy changes accordingly

- **The Framework - Matching Procurement Categories to Strategic Impact Opportunities**

People: The Entry-Level Services category presents the highest opportunity to address poverty
Vertical Construction is the strongest category for apprenticeships

Planet: The Goods category presents the most opportunity to advance Circular/Green Procurement

Profit: Unbundling Goods from Services and proceeding to market by zone, could substantially increase the bidding pool and improve SME access. More visibility and ease of access to contracts under the \$100K trade threshold would support Community Economic Development

Recommendation: Seek council approval to incorporate a more strategic approach to procurement; to ensure the procurement is fully leveraged to align and support the vision, mission and strategic plan; amend any policy changes accordingly.

- **A Potential High-Impact Category – Social Enterprise Development & Non-Profit Partnerships**

The current purchasing policy lacks a non-profit lens and presents a significant barrier to engaging non-profit partners in the delivery of services and in the development of a Social Enterprise ecosystem

Recommendation: See Category 11a of the Social Procurement Framework. In keeping with both domestic and international trade agreements, seek council approval to exclude non-profit organizations from the Procurement Policy. Identify services which can be delivered through non-profit Social Enterprise partners working to provide employment and training opportunities to barriered individuals and equity seeking groups living in poverty.

Match known strong Social Enterprise categories with receptive nonprofit organizations. Provide stability of demand through 3 to 5-year exclusive contracts to deliver services. Proven B2G⁸ Social Enterprise categories are pest control; junk removal; landscaping; janitorial – interior; commercial cleaning -bus stops cleaning, police car washing; small repairs and maintenance contracts; vacancy turnovers; painting etc. City Housing has 600 vacancy turnarounds annually, providing an excellent Social Enterprise opportunity.

Establish a process to determine when a project will be delivered internally; through a grant to a community partner; through a limited procurement restricted to non-profit organizations and when a conventional competitive process must be used.

- **Lack of strategic integration across divisions**

Divisions and departments remain very silo'd. Strategic Public Procurement works as a 'Golden Thread' and a catalyst for increased horizontal governance, promoting the cross-pollination of knowledge, cross-departmental integration and creating new cross-sector relationships

Recommendation: Through a dedicated lead continue to provide Strategic Procurement education to all senior staff responsible for continuous improvement and the advancement of city-wide strategic initiatives. This role could be served through the new Sustainability position which is being created within Public Works. Foster more holistic thinking and ensure different divisions consistently present at each other's EMT.

For example, Ontario Works presented at this years Public Works EMT and the information was very well received.

⁸ Business to Government

- **Skills and Labour Market Shortage – Training and Creating Pathways to Employment**
Facilities, Public Works, is finding it increasingly difficult to find contractors to perform small repair work, which presents an excellent training opportunity for an organization like Threshold School of Building. City bus stops need cleaning, police cars need washing, transit pads need repairing. The current procurement policy poses a barrier to building the capacity of non-profits to deliver training on city projects.
Recommendation: In keeping with the framework, and in alignment with domestic and international trade agreements seek council approval to exclude nonprofits from the procurement policy and proceed to develop a non-profit strategy. Amend any policy changes accordingly
- **Lack of organizational awareness regarding the strategic role of public procurement in society**
Leveraging procurement to achieve horizontal, secondary public policy goals represents a very new way of thinking. Staff had no prior experience in generating incremental Social Value; very limited experience with Green Procurement and/or with strategically leveraging procurement to drive Community Economic Development (CED)
Recommendation: Appoint a dedicated Project Lead to continue to build organizational capacity.
- **Purchasing Policy language could be more supportive and enabling.** Most of the Social Procurement demonstration projects were able to proceed in accordance with the existing Purchasing Policy. However, more explicit language, specifically directing staff to consider and/or include social or green sustainability criteria, will be needed to drive transformational change
Recommendation: Introduce council to the more citizen focused, explicit language recently adopted by the Province British Columbia (See Page 17). Seek council approval to incorporate more enabling language to guide staff and amend any policy changes accordingly.
- **HAIL – Anchor Institution Strategy:** The public-sector is Hamilton’s biggest employer. Through HAIL – the Hamilton Anchor Institution Leadership table, there is an opportunity for publicly funded anchor institutions to work with the City of Hamilton to ensure that all taxpayer funded contracts are designed to alleviate poverty in the city
Recommendation: Paul Johnson, General Manager, Healthy Safe Communities to liaise with HAIL regarding the development of a coordinated Hamilton Anchor Institution Strategy focused on the reduction of poverty.
- **Strategic Alignments:** Procurement can be better leveraged to support a considerable number of City objectives. This work strongly aligns with the City of Hamilton’s Strategic Plan; People and Performance Plan; Equity, Diversity and Inclusion Framework; Vision 2020 – Our Future Hamilton; The Mayor’s Blue-Ribbon Taskforce on Workforce Development; Poverty Reduction; Indigenous Reconciliation; Newcomer Integration; Economic Development and City Innovation Lab
Recommendation: Appoint a dedicated Project Lead to continue to build organizational capacity. Seek council approval to incorporate a more strategic approach to procurement and amend any policy changes accordingly.

Recommendations - The Procurement Policy

City of Hamilton By-Law No. 17-064 (April 12, 2017)

Procurement Section – Financial Services – Corporate Services

Mission

To ensure that the procurement function meets the current and future needs of the corporation, provides an economical and efficient service and is considered a value-added partner in the securing of Goods and/or Services for the corporation.

Vision

A team of resourceful skilled professionals, working in partnership with their customers to procure the best Goods and/or Services in the most efficient manner.

Procurement Goals & Objectives SECTION 1

- (1) Procure the necessary quality and quantity of Goods and/or Services in an efficient, timely and cost-effective manner, while maintaining the controls necessary for a public agency, in accordance with the Procurement Policy as approved by Council.
- (2) Encourage an open and competitive bidding process for the acquisition and disposal of Goods and/or Services, and the objective and equitable treatment of all vendors.
- (3) Ensure the best value of an acquisition is obtained. This may include, but not be limited to, the determination of the total cost of performing the intended function over the lifetime of the task, acquisition cost, installation, disposal value, disposal cost, training cost, maintenance cost, quality of performance and environmental impact.
- (4) Procure Goods and/or Services with due regard to the preservation of the natural environment and to encourage the use of “environmentally friendly” products and services, as supported by Vision 2020 goals and strategies.

Questions ?

- Is procurement at the City of Hamilton primarily for the benefit of the community or for the benefit of the corporation?
- Could the use of ‘*efficient, timely and cost-effective*’ policy language, be unintentionally driving city staff to bundle procurements opportunities into large single contracts, thereby reducing supply chain access for the majority of local SME firms?
- Is it time to move beyond language which encourages the use of ‘*environmentally friendly*’ products and services to more proactive and intentional language which mandates in tenders and rewards in RFP’s the use of the most sustainable and/or circular solution?
- Is it time to add a social lens to ensure that city procurement proceeds with due regard to the impact on people and community?

Compare the City of Hamilton policy language and messaging with B.C.'s Provincial Procurement Strategy, updated July 2018 ⁹

British Columbia Procurement **Strategy**

A strategy to improve procurement, realize value for money, and create benefits for communities



17-064: City of Hamilton - Procurement Policy Review

The project found that although Social Value criteria can be added under the existing procurement policy, more explicit and empowering policy language would be helpful in providing staff with the clarity and direction required to transform the culture of procurement from transactional to strategic, and to support a culture of continuous improvement.

Current Policy - Observations

- Section 2 – 2c – Maximum number of bids
Bundling and un-bundling – Consider the tension between this and the ‘most efficient manner’
- Policy #21 Anti-Sweatshop Procurement
Currently the only reference to social in the policy occurs on page 47 with reference to child labour in sweatshops being compensated below the poverty threshold. The current language leans toward the supply of goods manufactured overseas.
What about services in Canada? Precarious work?
How do we value pension plans and full-time work with benefits, compared to the Social Price of Best Price and the increase in precarious work on city contracts.
What about the Living Wage and Fair Wages for Services ?

⁹ https://www2.gov.bc.ca/assets/gov/government/services-for-government-and-broader-public-sector/buy-goods-services-and-construction/support-services/bc_procurement_strategy_2018.pdf

Recommended Changes to the Current Procurement Policy

Policy Language Review and Recommendations

- **17-064 Procurement Policy Review and Refresh**

To require all procurement to be fully leveraged to also achieve at least one secondary public policy goal, Social, Green or CED, to support and align with the City's Strategic Plan.

- **Consider a Fair Wage Policy for Services**

- **Develop a Non-Profit Strategy and Policy**

Category 11a – Social Procurement Framework

- **Category 11b – Social Procurement Framework**

Continue to educate staff and council that both CFTA and CETA exclude non-profit organizations

CFTA Chapter Five – Government Procurement: Non-Application

11. This Chapter (does not apply to the (i) procurement of goods or services:

(v) from philanthropic institutions, non-profit organizations, prison labour, or natural persons with disabilities

CETA Chapter 19 Government Procurement

ARTICLE 19.3 Security and general exceptions

2. Subject to the requirement that such measures are not applied in a manner that would constitute a means of arbitrary or unjustifiable discrimination between Parties where the same conditions prevail or a disguised restriction on international trade, nothing in this Chapter shall be construed to prevent a Party from imposing or enforcing measures:

(d) relating to goods or services of persons with disabilities, of philanthropic institutions or of prison labour.

- **Category 11c – Social Procurement Framework**

Update the policy to align with the CFTA 10 Annex 520.1 which provides an Ontario Specific Exception to Article 507.1 and Article 509.1 for procurements valued below \$200,000 which target poverty reduction for disadvantaged natural persons.

See Social Procurement Framework - Appendix 4

- **Non-Profit** – currently the only reference to non-profits is on page 43 of the policy – disposal of goods

When it comes to working with non-profit organisations, the City of Hamilton's current procurement policy is more restrictive than the domestic (CFTA) and international (CETA) trade agreements.

The city needs to develop a non-profit and Social Enterprise development strategy.

¹⁰ CFTA – Canadian Free Trade Agreement

#	Project Name	COH Lead	City of Hamilton – Demonstration Project Overview – Last Updated: June 24 th 2019	Status
1	Security Contract Social RFP	PW Facilities Rome Tina/ Marusia	Social Value: Changes made to Terms & Conditions New T&C: 1 month's advance notice of P/T work schedule Lessons Learned: Too rushed & too late to connect procurement evaluation to commitment to hire graduates of the OW Securities program. OW & Procurement Depts need to be included at the very beginning of new projects.	Awarded
2	Prime Consultant Social RFP Descriptive	Ann Matt Brown	Contract Number: C11-15-19 Social Value: 10 % Social Value – Focus PWD/Path Employment Lessons Learned: Departmental client needed help with the social value evaluation matrix but was very willing to incorporate the matrix as recommended. Meeting face to face with Path Employment helped overcome the initial concerns. May 2019: No employment outcomes achieved. Winning bid committed to education only	Awarded
3	Hamilton Water Meter Installation Social RFP Prescriptive Value: \$3M x 6yrs	Robert Jasmine Paul Z	Contract Number: C11-10-19 10% Social Value: Focus Single Mums – OW/YWCA/Mohawk/ Path BPC: Later start times; & evaluation of whether or not vendor will supply a company vehicle. Home-based call centres – operated by people with disabilities Lessons Learned: Incumbent/manufacture advantage Trying to separate the goods (meters) from the services to increase the bidding pool and increase competition, was much more time consuming than adding the Social Value component. Consultant strongly voiced concerns about the incumbent advantage and that the approach prevented SME market access. Non-Incumbent vendors declined to bid as they viewed the specifications as too biased to the incumbent. Post bid closing, once again the consultant raised concerns with public works and procurement about the process and the fact that Hamilton Water proceeded to market in a manner that was contrary to all advise provided.	Closed June 12 th 2019 Only one bid received failed to meet Social Benchmark
4	Vertical Builds		Unable to secure a Vertical Build Project Staff reluctant to embark on a tender in pilot. Prefer to wait for council direction	On hold
5	Civil Horizontal Social Tender Horizontal Value: \$	Barb Melissa	Social Value Terms: To provide one training position for an OW Youth in contractors supply chain, with the goal of providing 700 hours of insurable employment, to move from OW to EI Lessons Learned: Experiencing resistance from HAND. This is a high volume, fast turnaround category. There are many projects valued around \$1m, which are distributed across councilor wards. Civil construction is a highly mechanized process with a one-million-dollar project requiring a work crew of only 6 people for a five to six-week period. There is more vendor support for Social Hiring at the corporate level, or in the warehouse supply chain, than in having entry level youth engaged on the actual projects. Civil projects move around. Transportation is a significant barrier. Initial engagement with HAND was positive. Following the appointment of a new board and the involvement of the provincial OWSE organization HAND has moved to opposing Social Procurement. Civil contractors work all in small work crews all over the region. This poses a significant transportation barrier to people living in poverty. Despite the high value of city spend, this category was found to provide less opportunity to lift people out of poverty than could be found in category #4 entry-level services.	On hold Resistance from HAND

6	Repairs & Maintenance Social RFP Prescriptive Value: \$	Tom Hunter	Social Value: City Housing Contracts – 600 Vacancy Turnarounds annually Social Enterprise Opportunity Lessons Learned to date: Social Enterprise development in City of Hamilton is constrained by the current purchasing policy. Development of a Social Enterprise strategy is recommended. City’s current purchasing policy is more restrictive than required by trade agreements. Currently, nonprofits must bid against national companies.	In Development
7	Waste Collection RFP Value: \$1 Billion	Joel Melissa Tina	\$1 Billion X5 Year Contract. Experiencing the skills shortage – need DZ Truck Drivers and Heavy Equipment Mechanics. Contractor currently recruiting in Ireland Social focus will be on preserving the jobs of existing workers and adding a Social hiring requirement to recruit labourers through NAAMB, Wesley and Goodwill, until the Social hiring component represents 20 percent of the workforce; additionally the competition will reward the vendor commitment to upgrading a percentage of labourers to drivers and apprentices (heavy duty mechanics) over three years.	Due in Market In July 2019
8	MRF Social RFP Prescriptive/ Non-Profit Direct Award Value: \$7M x 5yrs	Joel PW	Social Value: 10% for number of FTE equivalent, full-time jobs for Wesley/Goodwill Missed Social Enterprise Opportunity Lessons Learned: Too rushed & too late in procurement cycle to engage in discussions with nonprofit organisations who may have been interested & able to run the facility at a lower cost to taxpayers; current policy poses a barrier. Market price is predicted to rise substantially due to loss of the global fibres market; unknown variables in future provincial recycling model; either major capital investment in plant required or change of business model to become a transfer station.	Missed Opportunity Due in Market March 2019
9	Under Threshold Speed Cushions Value: \$175K	Robert Marques Tammy PW	Possible Social Enterprise Training Opportunity with Threshold School of Building. Explored a direct award to Threshold School of Building, which provides training to youth. Current Procurement Policy prevents this. Trade agreements allow it. Lessons Learned: COH current procurement policy is more restrictive than the Trade Agreements, which allow for direct awards to nonprofits delivering programs to train disadvantaged people. Recommend changing COH policy	COH current Purchasing Policy prevented this moving forward
Upcoming				
	Hydrant Painting			
	Bus Stop Cleaning Value \$600K	Paul Z	May 21 st meeting to explore the viability of an internal solutions Al Fletcher in discussions with John Howard to run this contract on a Social Enterprise basis. Breaking it up into Zones could be helpful in engaging more nonprofit organizations and in building more sector capacity Lessons Learned: June 19th, 2019: Yes, John Howard is interested and is quoting on this opportunity. In the interim as we await council’s consideration of amendments to the existing policy, a request to council will be made to advance this approach. This will also serve to raise awareness of the constraints presented by the current policy. Community Living declined to bid due to the 24-hour service requirement and the need to provide vehicles. Submitting a counterproposal which would subcontract the night work and cover the cost of leasing vehicles did not occur to the organization. With more education the organization has learned that they too need to be more creative and open in how they respond to emerging business opportunities.	June 19 th 2019 John Howard submitting a proposal Seeking council approval for alternate approach

Pest Control	Facilities	<p>Social RFP: Contract Number: C12-08-19 Modelled on the Hamilton Water prescriptive approach to an RFP, having the template increased staff confidence to embrace Social Procurement and enabled staff to proceed without any input from the consultant.</p> <p>Lessons Learned: This is the first competition to proceed to market without any consultant support. It is also the first to award 20 percent to social value. The internal client had recently moved from procurement into facilities. With both parties educated in the art of Social Procurement, the procurement process moved very efficiently into the marketplace.</p>	In market 20% Social Value Closes July 2 nd 2019
Elevator Modernization	Matt Brash	Apprenticeship Training	
Towing Contracts	Matt Brash	<p>DZ Training</p> <p>Lessons Learned: Needed a quick turnaround. Buyer felt that there was no time to add Social criteria.</p>	Missed Opportunity
Police Car Wash	Matt Brash	<p>Recidivism and youth</p> <p>Possible partnership with NPAAMB to engage Indigenous Youth to engage justice involved youth. No security clearance is necessary for the youth to engage in this work.</p>	In Development
Mops & Mats Value \$180K	Rick	<p>Cleaning contract</p> <p>Lessons Learned: Too small a contract to add Social Value criteria. Social Procurement framework worked well in alerting the buyer that this was below the recommended threshold for adding Social Value criteria.</p>	Not a good fit. Too small a contract.
Security Services	Kelsey	Retention and benefits – Do we value pensions?	
Vision Screening	Kelsey	<p>Social Value Criteria: 10%</p> <p>In schools vision screening ongoing contract – YWCA – Potentially an excellent in school hours contract for single mums</p>	In design
Snow Clearing Lodges	Kelsey	Consultant has recommended engaging Rainbows End, a nonprofit operating a number of Social Enterprises serving people living with mental health issues runs a number of Social Enterprises. Currently operates snow clearing services. See Connector organizations for a list of all Social Enterprises operated by Rainbow's End	

The Process

Advancing Social Procurement – City of Hamilton

OUTLINE OF PROCESS - From Price-Taker to Market Mover

Changing the Conversation - Adding a Socio-Economic lens to Public Works Projects

City Vision: To be the best place to raise a child and age successfully

City Mission: To provide high quality cost conscious public services that contribute to a healthy safe and prosperous community, in a sustainable manner.

Roles & Responsibilities -the following is being integrated into Public Works standard documents

COH Dept	When	What	How
Public Works Project Lead Vertical \$5m+ Civil \$1m+ R &M \$500K	Start of project	Social Procurement Framework Review the Category Approach Opportunity Identification	1. Review recommended approach for the category 2. Consider the questions in this document 3. Refine approach as needed 4. Provide a project brief to Ontario Works Manager and to Procurement
OW Employment Manager Employment & Skills Development Opportunities Business Practice Changes Educational Opportunities	Start of project	Social Procurement Framework Review the Category Approach Impact Assessment OW makes the YES/No decision to include Social Value Define Social Value Criteria Identify the Connector Org	5. Review recommended approach for the category 6. Asses the opportunity for OW clients to secure employment and/or to match skills development programs to the contract opportunity? 7. Identify and recommend the (1) Employment & Skills Development opportunities eg. Recruit graduates from an OW training program (2) Business Practice Changes – if any (3) Educational opportunities, linkages and \$\$\$ employer placement incentives/grants 8. Identify the Connector Organization OW internal or an external Skills Flagship Community Partner and provide contact information to be included in the procurement documents
Procurement Specialist Integration Evaluation & Points Values	Pre-Procurement	Social Procurement Framework Review the Category Approach Set Social Value Points Evaluation Weightings & Mandatory TC's Establish a benchmark for Social Value Component Procurement Integration Final Review	9. Review recommended approach for the category 10. Identify the Social Procurement methodology Social Tender with or without Social Value Menu Social RFP – Prescriptive or descriptive. 11. Assign Social Value Points & Evaluation Weightings Review TC's -1-month notice of PT work schedules etc 12. Integrate OW Social Value criteria into procurement process. Review procurement documentation for any barriers to employment for low-income residents. 13. Final review of procurement documentation for any barriers to employment for low-income residents

OPPORTUNITY IDENTIFICATION PROCESS

Public Works or Project Lead – What you will you need to know

- . Project budget & length of contract
- . ETA procurement in the marketplace and project start date
- . Approximate number of project hours and FTE's
- . High level overview of the scope of work
- . Approximate number of entry level opportunities, potential for home-based opportunities (call-centres?) and the type of skills development/apprenticeship pathways available

Questions to consider are -

1) Does the current approach: -

- . Provide a distinct advantage to the incumbent?
What is the length of past contract with the incumbent?
- . Could the contract be unbundled to increase the vendor pool or to provide better access to SME's?
- . Present unnecessary barriers to employment for people living in poverty?
Transportation – requirement to own a reliable vehicle
Childcare – unnecessarily early start times
- . Promote socially & environmentally responsible business practices?
- . Reward skills development and maximize apprenticeship ratios?
- . Is this a Social Enterprise opportunity – a service contract requiring very entry level skill sets?
- . Is this an under \$200K contract opportunity that can be leveraged specifically to address poverty?

2) Moving from Low Bid to Best Bid – How is value being defined?

- . For construction, are we using the most efficient and effective project delivery and procurement methodology?
Design, Bid, Build; Design Build; IPD Construction Management; Tender, RFP, Negotiated RFP
- . Can the procurement process be simplified or given more visibility in the community?
- . Could a local nonprofit organization deliver this service?
- . Could pre-procurement market education/engagement/unbundling increase the vendor bidding pool?
- . Would your choice of project/procurement process be different if the project KPI's included Poverty Reduction, Skills Development and/or Local Economic Development metrics?
- . **Note:** Evaluation must NEVER be tied to a monetary donation of any kind

3) Can the approach be re-designed to: -

- **Promote Social Hiring, Apprenticeships and Skills Development?**

- Min. 10% Project Hours (vertical) or 1:10 FTE positions (horizontal) to be set aside to reduce poverty, attract more equity seeking groups and promote skills development on city contracts?

- **Overcome the primary barriers to employment for people living in poverty?**

- Low Self-Esteem, Transportation & Childcare, Education
 - later start times or core hours to coincide with school hours
 - buddy systems & recognition of formal mentoring programs
 - create a more Welcoming Workplace
 - foster the development of Diverse Hiring policies?

APPENDICES

Appendix 1: Trade Agreement Thresholds

THRESHOLDS

CANADIAN FREE TRADE AGREEMENT (CFTA) AND CANADA-EUROPEAN UNION COMPREHENSIVE AND ECONOMIC TRADE AGREEMENT (CETA)

(January 1, 2018 – December 31, 2019)

	Procurement Type	Ministries and most Provincial Agencies (CDN\$)	Provincial Agencies of a commercial or industrial nature * (CDN\$)	Municipalities, school boards, publicly funded academic, health and social services entities (CDN\$)
CFTA	Goods	\$25,300	\$505,400	\$101,100
	Services	\$101,100	\$505,400	\$101,100
	Construction	\$101,100	\$5,053,900	\$252,700
CETA	Goods	\$365,700	\$649,100	\$365,700
	Services	\$365,700	\$649,100	\$365,700
	Construction	\$9,100,000	\$9,100,000	\$9,100,000

Appendix 2: Trade Agreement Exceptions

Under CFTA – Canadian Free Trade Agreement, Ontario negotiated a trade agreement exemption which allows for contracts under \$200,000, to proceed to market in a way that specifically targets poverty. This is separate and distinct from the nonprofit exemptions which exist in both CFTA and CETA – Comprehensive Economic Trade Agreement, between Canada and Europe.

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Schedule of Ontario

Procurement Exceptions

For Ontario, the following is not covered by this Chapter:

A. Excluded Entities

The following entities are not covered by this Chapter:

1. Offices of the Legislative Assembly

B. Exceptions and Notes

1. Article 507.1 and Article 509.1 do not apply to procurement that targets poverty reduction for disadvantaged natural persons if the value of the procurement is below \$200,000.
2. This Chapter does not cover procurement relating to a jointly-owned international crossing between Ontario and another country, or a sub-central jurisdiction of that country, including the design, construction, operation, or maintenance of the crossing as well as any related infrastructure. This exception does not apply to procurement conducted solely by Ontario.

<https://www.cfta-alec.ca/wp-content/uploads/2017/06/CFTA-Consolidated-Text-Final-Print-Text-English.pdf>

<https://www.international.gc.ca/trade-commerce/assets/pdfs/ceta-rm-01-eng.pdf>

CFTA Chapter 5: Page 65 Ontario Schedule - Procurement Exception – Targeting Poverty Reduction

CFTA Chapter 5: Page 42 Article 504, 11 Non-Application (i) procurement of goods or services: (v) from philanthropic institutions, non-profit organizations, prison labour, or natural persons with disabilities.

CETA Chapter 19: Page 273 ARTICLE 19.3, 2 (d) relating to goods or services of persons with disabilities, of philanthropic institutions or of prison labour

Appendix 3: The Connector Organizations

Social Procurement – Connector Organizations – Employment Services

	<p>Kerry Lubrick, Manager, OW Employment Services 905-546-2424 Ext. 4855</p>	<p>Ontario Works Employment Services Helping Hands Program. Skills Development Flagship Network kerry.lubrick@hamilton.ca Website Link</p>
	<p>Sam Campanella, Executive Director 905-526-1558 ext 419</p>	<p>Construction craft training program for women, kids summer camps, free clothing and food pantry sam.campanella@evarothwell.ca https://www.evarothwell.ca/</p>
	<p>Tracy Baxter Regional Director Client Services (Ontario) 905-526-8488 Ext. 1305</p>	<p>Employment Services; ODSP; Mentoring; Paper Shredding Services Stairways Coffee House and Catering TBaxter@goodwillonline.ca http://www.goodwillonline.ca/</p>
	<p>Uzma Qureshi 905-529-5209 Ext. 239</p>	<p>Employment Services for Newcomers uqureshi@IWCHamilton.ca http://iwchamilton.ca/</p>
	<p>Ruth Greenspan Executive Director 905-522-4446 ext 224</p>	<p>Justice Involved & Youth-at-Risk rgreenspan@jhshamilton.on.ca https://johnhoward.on.ca/hamilton/contact/</p>
	<p>Affordable Housing Provider</p>	<p>https://indwell.ca/</p>
	<p>Nick Ciccone Training Director 905-643-1077</p>	<p>Construction Craft Worker Certificate Construction Training HYIC – Hamilton Youth in Construction nciccone@liuna837tc.com https://liunalocal837.com/</p>
	<p>Brandi Jonathan Strategic Partnership Lead 289-303-9715 Nicole Belanger Partnership Developer 519-717-0895</p>	<p>Indigenous Urban Youth Employment & Training-8 Week wage-subsidy program brandi@npaamb.com nicole@npaamb.com https://npaamb.ssiparked.com/ Indigenous Owned Business Directory</p>
	<p>Tara Aronson 905-528-6611</p>	<p>Employment Services for People with Disabilities tara.aronson@pathemployment http://www.pathemployment.com/</p>

<p>Rainbow's End</p> 	<p>David William, Executive Director 905-667-1840</p> <p>Social Enterprise</p>	<p>Operate a number of Social Enterprises offering, temporary labour, cleaning, landscaping, snow clearing, sewing, small moves and flyer distribution. Serving people living with mental health challenges</p> <p>https://rainbowsend.ca/ David.@rainbowsend.ca</p>
<p>Salvation Army</p>	<p>Thrift Store Operations</p>	<p>Recycling Opportunities</p>
	<p>John Grant or Shelly 905-522-8686</p>	<p>Training Youth Age 16-29 in Construction</p> <p>jgrant@tsob.ca http://www.tsob.ca/</p>
	<p>Rosemary Boateng, Manager Employment Services 905 393 4965 Ext. 241</p>	<p>Employment Services First Start Social Enterprise Café rosemary.boateng@wesley.ca https://wesley.ca/</p>
	<p>Irene Heffernan Senior Project Manager Neighbourhood Development 905-546-2424 Ext. 4929</p>	<p>Supporting At Risk Youth Age 16-29 HYIC – Hamilton Youth in Construction</p> <p>Irene.Heffernan@hamilton.ca</p>
	<p>Maisie Raymond-Brown Director of Employment & Training Services 905-522-9922 Ext. 151</p>	<p>Employment Services for Women</p> <p>mrbrown@ywcHamilton.org https://www.ywcHamilton.org/</p>
Education & Training		
	<p>Margaret Thomson Employment Manager Joyce Filice Job Developer</p>	<p>margareththomson@mohawkcollege.ca joycefilice@mohawkcollege.ca</p>
	<p>Christine Rich, Career Development and Relationship Manager, Engineering Co-op and Career Services, Faculty of Engineering</p>	<p>(905) 525-9140 ext 27792</p> <p>riche2@mcmaster.ca</p> <p>www.eng.mcmaster.ca/eccs</p>
<p>Hamilton Building Trades Unions</p>	<p>Mark Elleker 905-870-4003</p>	<p>Website Link mark@hbtt.ca</p>
Community Group		
<p>Hamilton Community Benefits Network</p>	<p>Mark Elleker 905-870-4003</p>	<p>http://www.hcbbn.ca/</p>

CETA & CFTA Trade Agreements apply to categories on this page

CETA: Comprehensive Economic Trade Agreement; Construction \$9.1M+, Goods & Services \$365K CFTA: Canadian Free Trade Agreement Construction \$250K+, Goods & Services \$100K

Category #	Categories Contract Threshold	RFX Approach Goal: To remove barriers to employment for people living in poverty	Social Procurement Framework Targeted Outcomes Poverty Reduction & Skills Development Increased Work Schedule Stability	Connector Organizations Overcoming Top 3 Employment Barriers 1. Low Self-Esteem 2. Transportation 3. Childcare
1a	Capital Projects – Vertical \$5M+	Social Tenders – Promote Training To Inc: Welcoming Workplace Plan Social Hiring – 10% Project Hours	<ul style="list-style-type: none"> OW - Employment & Skills Development PAT – Professional, Administrative, Tech jobs Apprenticeship Outcomes, starts, progressions & completions 	Construction Connector Orgs <ul style="list-style-type: none"> OW Employment Programs. HHBT/LIUNA, Threshold School of Building; HYIC grads
1b	IPD \$20M +	Integrated Project Delivery RFP	<ul style="list-style-type: none"> Alternate Project Delivery Methodologies 	Further Discussion Needed
2a	Capital Projects – Civil, Horizontal \$1M+	Social Tender-Social Value Menu x1 OW hire on staff, or in supply chain, throughout the contract term &/or recruited within last 6 months	<ul style="list-style-type: none"> OW - Employment & Skills Development PAT – Professional, Administrative, Tech jobs 	Construction Connector Orgs <ul style="list-style-type: none"> OW Employment Programs. LIUNA, HAND Threshold School of Building; Xperience Annex HYIC grads
2b	Capital Projects – Civil, Horizontal \$10M+	Social Tenders \$10M+ To Inc: Welcoming Workplace Plan Social Hiring – 10% Project Hours	<ul style="list-style-type: none"> OW - Employment & Skills Development PAT – Professional, Administrative, Tech jobs 	Construction Connector Orgs <ul style="list-style-type: none"> OW Employment Programs, HAND; HYIC HHBT/LIUNA Threshold School of Building
3a	Repairs & Maintenance \$500K+	Social Tender-Social Value Menu Social Hiring – 1:10 FTE Skills Training/Work Experience Business Practice Changes	<ul style="list-style-type: none"> OW - Employment & Skills Development PAT – Professional, Administrative, Tech jobs Pre-Apprenticeship/Apprenticeship Outcomes 	Construction Connector Orgs <ul style="list-style-type: none"> OW Employment Programs; HYIC grads LIUNA, Threshold School of Building Xperience Annex HYIC grads
3b	Repairs & Maintenance \$500K+	Prescriptive Social RFP Employment/Skills Development Business Practice Changes Market Education – Diversity	<ul style="list-style-type: none"> OW - Employment & Skills Development PAT – Professional, Administrative, Tech jobs Pre-Apprenticeship/Apprenticeship Outcomes 	All Connector Orgs <ul style="list-style-type: none"> OW Employment Programs Path Employment, IWC, YWCA, Goodwill, Wesley, NPAAMB
4	Services Entry Level Skills Security, Call Centres, Janitorial \$200K+	Prescriptive Social RFP 10-33% Employment/Skills Development Business Practice Changes Market Education – Diversity	<ul style="list-style-type: none"> OW - Employment & Skills Development PAT – Professional, Administrative, Tech jobs 1-month notice of work schedule Fair Wages & Benefit Policy for Services TBD 	<ul style="list-style-type: none"> OW Employment Programs Path Employment, IWC, YWCA, Goodwill, Wesley, NPAAMB Rainbow's End, HYIC grads
5	Services Mid-Level Skills Water meter installers \$500K+	Prescriptive Social RFP 10-25% Employment/Skills Development Business Practice Changes Market Education – Diversity	<ul style="list-style-type: none"> OW - Employment & Skills Development Pre-Apprenticeship/Apprenticeship Outcomes More Welcoming Workplaces – start times etc Fair Wages & Benefit Policy for Services TBD 	<ul style="list-style-type: none"> OW Employment Programs Path Employment, IWC, YWCA, Goodwill, Wesley, NPAAMB
6	Services –Professional Level Skills Prime Consultants, Office Work \$500K+	Descriptive Social RFP 10-20% Employment/Skills Development Business Practice Changes Market Education – Diversity	<ul style="list-style-type: none"> OW - Employment & Skills Development PWD – Persons with Disability More Welcoming Workplaces – start times etc Fair Wages & Benefit Policy for Services TBD 	<ul style="list-style-type: none"> OW Employment Programs Path Employment, IWC, YWCA, Goodwill, Wesley, NPAAMB McMaster Student Coops/work placements
7a	Goods Over \$100K+	Circular Economy Focus Waste Reduction; Reduce, Reuse, Recycle	Goods is a stronger category for Green/Circular Procurement. Construction waste is a critical topic to address	Social Value is not currently being applied to this category Is Environmental responsibility to be considered?

City of Hamilton controls policy decisions for categories on this page – Trade Agreements DO NOT APPLY

8	Construction Under \$250K	Simplicity & Visibility for Vendors Replace the 3-quote system with S-RFP 2 pages out 2 pages back	. Implement Bid-Blast System to email category specific opportunities to local vendors, Hamilton Chamber & Construction Assn	. Increased visibility of City contracts . Increased # of SME's bidding . Local Economic Development
9	Services Under \$100K	Simplicity & Visibility Replace the 3-quote system	. As above	. Increased # of SME's bidding . Local Economic Development
10	Goods Under \$100K	Simplicity & Visibility for Vendors Replace the 3-quote system	. As above Note: Goods under \$100K ARE included here as an impact category	. Increased # of SME's bidding . Local Economic Development
11a	NonProfit Strategy Social Enterprise Development	Policy Change to allow grants, direct awards and/or limited tendering for NFP Social Enterprises training barriered & equity seeking groups	Identify goods & service categories that could be direct awarded to support the growth of Social Enterprises employing residents facing multiple barriers to employment	. Increased Social Enterprise capacity for people facing temporary or permanent barriers to employment . Threshold, Wesley, Goodwill, Indwell, Rainbows End . More integration of non-profit organizations into mainstream economy
11b	Excluded Categories CETA & CFTA	Non-Profits, Health, Social Services, Arts, etc	Non-Profits & Programs for disadvantaged people See CFTA page 42 for non-profit exclusions	- Poverty Reduction - More integration of non-profit organizations into mainstream economy
11c	Under \$200K CFTA Exemption to tackle poverty	CFTA Poverty Reduction Exclusion	See Annex 520.1: Ontario Specific Exceptions pg 65	- Poverty Reduction & Skills Training - Increased Social Value through non-profit service delivery partnerships
12	CBA's: Planning Policy Private Developments & major public projects - LRT Vertical or Horizontal	CBA- Community Benefits Agreements External Engagement Process COH - CBA approach needs to be aligned with COH - Hamilton Strategic Procurement policy	Led by City Planning Department HCBN: City Advisory Committee is currently working with the Hamilton Community Benefits Network. This is not a procurement process. CBA's are negotiated as part of a private development or a mega public project	. Local Spend . Local Hiring Targets . Training Targets . Apprenticeship Targets . Community Amenities CBA's can be included in City Social Lease Agreements
13	City – HR Policy Direct Hiring	Lead by example To ensure the City has hiring practices that are consistent with an Equity, Diversity and Inclusion Framework	. Hiring practices designed to ensure barrier free access to employment for equity seeking groups . Need for data collection to better understand current state and opportunities	. Voluntary demographic collection on applicants and subsequent survey of all employees as part of 2020 Our People Survey . Document in accordance with Employment Equity guidelines
	Strategic Alignment: City of Hamilton's Strategic Plan; People & Performance Plan	Strategic Alignment: Poverty Reduction Indigenous Reconciliation Newcomer Integration Economic Development	Strategic Alignment: Mayor's Blue-Ribbon Taskforce HAIL – Hamilton Anchor Institutions Leadership Skills Flagship Table; Job Developers Network; Xperience Annex;	Vision 2020 – Our Future Hamilton City Innovation Lab HCBN – Hamilton Community Benefit Network Hamilton Poverty Roundtable Hamilton Social Planning Council
	Abbreviations	PAT: Professional, Admin & Technical FTE: Fulltime Equivalent	STOC: Short-term Occupational Certs SME: Small Medium Enterprises	. OW: Ontario Works . BPC: Business Practice Changes

Appendix 5: HAND Association – Letter Re: Social Procurement Initiative

March 20, 2018

Ms. Tina Iacoe
Procurement Manager, City of Hamilton

Re: City of Hamilton Social Procurement Program Initiative

Dear Ms. Iacoe:

The Hamilton & District Heavy Construction (Hand) Association is a heavy civil construction organization founded in 1966. Our members include contractors, associate suppliers, and consultants who design, build, and supply products and services to the road, bridge, and sewer and watermain construction sectors in the Greater Hamilton Area. The Association's mandate is focused on improving the business environment, protecting the safety and rights of our members, and promoting best work practices to ensure our members deliver the best possible product for the best price. It is for these reasons that we are writing to raise serious concerns with the City of Hamilton's proposed Social Procurement Program (SPP) initiative.

Over the past two years, through our work with our provincial association, the Ontario Sewer and Watermain Construction Association (OSWCA), one of the central issues we have been working on at both the provincial- and municipal-level is the inclusion of SPP requirements into public construction contracts. Given our growing body of knowledge around the *practical* application of SPPs and their effect on the construction tendering process, we would like to stress the importance of:

1. properly engaging with the employer community at the early stages of design of this program; and,
2. taking a slow and measured approach to their use in Hamilton, specifically via the use of provisional contract allowances in the contracts where these initiatives will first be included as contract requirements.

SPP models across North America have been, and continue to be, imperfect. While the objectives appear positive on paper, in practice, issues often arise around health and safety of the new workers, incomplete training, the taxpayer value-for-money, and the long-term sustainability of the employment opportunities being created. Involving the employer community in the program design *from the beginning* will help to mitigate some of these problems.

Construction employers are willing to provide meaningful and well-paying careers to any person interested in working in the field, including any individuals identified through SPPs. However, how companies hire, train, and ultimately employ workers is very nuanced, and differs by sector. These nuances must be properly understood and accounted for in SPP policy to ensure that the actual opportunities that are available match the training and employment requirements being placed in contracts.

According to a University of California, Los Angeles (UCLA) Labor Centre study that looked at SPPs across the United States, "a targeted hire initiative, in itself, is not a guarantee that targeted hire goals will be met. Its success is largely dependent on design and implementation."¹ And to ensure implementation goals are met, those responsible for the ultimate employment *must* be involved in the program design to ensure the goals are realistic and fit with industry practices. Attached in Appendix is an industry best practices document that provides additional considerations that the city should be considering before placing these requirements into its construction contracts.

As members of OSWCA, we have been involved in discussions around SPP design with the province of Ontario (who have since chosen to jettison this program given the return on investment was extremely poor), the City of Toronto, and with the Halton Public Buyers group. We have keen insight into the actual application of these programs, rather than simply their design, and would like to provide our feedback into this process before these become requirements of contract.

Please do not hesitate to contact me, or the OSWCA lead on this issue (Patrick.mcmanus@oswca.org or 905-629-7766) if you have any questions or would like to discuss this issue in more detail.

Sincerely,



Ryan Farrish
President

¹ *Exploring Targeted Hire: An Assessment of Best Practices in the Construction Industry*, UCLA Labor Centre: March 2014, p. 5.

A Workable Social Procurement Program Model for Construction

Issue: To achieve sustainable and diverse employment opportunities through social procurement programs (SPPs), a carefully-designed and integrated model must first be established that builds the needed administrative infrastructure to support this type of program (i.e. recruitment models; needed social and financial supports; training goals; employment needs; and, an organizational "hub" to oversee and administer the program).

Overview of Position:

There are opportunities in the construction industry to support sustainable employment for job seekers through SPPs. What is important, though, is to ensure that these opportunities are identified and established in cooperation with the industry. SPPs across North America have been, and continue to be, imperfect, existing programs can be mined for best practices that can be put in place in Ontario to ensure a workable and sustainable employment program can be established.

An appropriately-scoped program must include financial support for community development organizations to carry-out social development, wrap-around support, and employment recruiting amongst the identified underrepresented groups. It must be followed by identifying and funding professional training programs for prospective workers and identifying where employment needs and opportunities exist. An administrative body must be put in place to act as the "hub" for this program (i.e. Construction Connections). Finally, *and most importantly*, an appropriate amount of time must be provided to evaluate how these programs work through pilot programs before the government can even consider large-scale roll-out of these SPPs on contracts.

Building the Social Infrastructure to Support SPPs:

If the goal of SPPs are to match historically underrepresented job seekers with construction sectors that have sustainable employment opportunities, then it is important for the government to invest in the front-end program development that will help to achieve this goal. Connecting the government's poverty reduction targets to its infrastructure investments cannot simply be about inserting language into a construction contract. There is substantial front-end work that must be properly supported (i.e. recruitment, training, wraparound social support) before SPPs can realistically be expected to function on any sort of broad scale. According to a University of California, Los Angeles (UCLA) Labor Centre study that looked at SPPs across the United States, *"a targeted hire initiative, in itself, is not a guarantee that targeted hire goals will be met. Its success is largely dependent on design and implementation."*²

While many sectors in the construction industry are willing to provide meaningful careers for individuals identified through SPPs, how companies hire, train, and ultimately employ workers is very nuanced, and differs by sector. These nuances must

² *Exploring Targeted Hire: An Assessment of Best Practices in the Construction Industry*, UCLA Labor Centre: March 2014, p. 5.

be properly accounted for to ensure that the opportunities that are available are properly understood and being taken advantage of. Understanding what opportunities presently exist, and what will soon exist, will help to drive job seekers into sector-specific training programs to ensure that there are actually "job-ready" individuals to fill employment opportunities when they become available. Simply inserting requirements into contracts and expecting contractors to figure out how to meet these requirements "on the fly" will not result in the expected employment outcomes.

Needs for Gradual Implementation:

A SPP must be rolled-out slowly to ensure the program is sound and the appropriate social infrastructure is given enough time to adequately grow around the program. During initial roll-out, the City must develop/include the following:

1. A "**SPP Hub**" funded by the public buyer, acts as a coordinating body between community organizations, labour groups, training centers, construction employers, and public buyers. The Hub manages recruitment, job preparation, counselling, training, and supportive services for those seeking employment through a SPP. The Hub allows employers seeking trained workers that fit SPP requirements to interview job seekers and request specialized job training for applicants they intend to hire, tailored to the employer's needs.
2. A **Provisional Contract Allowance** where the public buyer specifies the amount of money to be directed towards SPP requirements in the contract (e.g. workforce development targets; subcontracting requirements; etc.). Aspirational targets can then be set, where, if met, will result in the release of a bonus payment to the contractor. This approach will:
 - ensure equity in the bidding process by directing a specified amount of funding from the City to these hiring requirements (ensuring no contracts are won or loss based on this program);
 - decrease the amount of risk being priced into contracts, by avoiding the use of additional penalties;
 - positively incentivize compliance; and,
 - provide the desired "work experience" objectives of this program.

SPP Elements We DISAGREE with:

- **Project-based employment quotas** work against the goal of sustainable employment. Quotas will encourage employers to hire SPP eligible employees only for the length of a project, as these employees would not be eligible to count against SPP targets on future projects. It will also lead to limited opportunity for learning meaningful skills, as an employer is not incentivized to invest in these individuals.
- **Penalty-based, hard-target contract requirements** place significant added risk onto contracts. These targets compel contractors to keep workers employed that they may otherwise have fired due to performance issues, simply to avoid being fined. It is imperative that employers avoid creating a two-tiered employment model

that treats SPP workers with a different set of rules than everyone else. There will always be elements beyond an employers control (e.g. employee arrives to work late, refuses to follow instruction, etc.), so flexibility needs to be built into this system to ensure all workers are treated equally.

- **Strict limitations on workforce recruitment** puts severe restrictions on an employer's ability to hire who they deem to be a suitable candidate for employment. A reasonable approach would be to establish a regional zone that corresponds to a typical working area for a given company (i.e. GTA; Durham Region; Kitchener-Waterloo-Guelph; etc.). If sustainable employment is the ultimate goal, then new hires must be prepared to move project locations, as all employees are required to do.

Need for Broad Stakeholder Input and Ongoing Involvement:

There are a wide variety of interests at play in the creation of SPP requirements for the construction industry. These interests *must* be understood and accounted for in the policy development process. SPPs have the potential to benefit a significant number of people and communities; however, it is critical to get the program model right, to have all stakeholders "buy-in" to the program, and to slowly grow it over time. Representatives from each of these sectors must be brought together to assist in the development of the program.

- **Community Organizations** will be tasked with recruiting and certifying individuals that meet the targeted hiring initiative. Community groups will also have to establish ongoing social support structures to help ensure these individuals meet their employment obligations (e.g. transportation; child care; personal protective equipment; etc.). Timelines, financial support, and detailed pathways to employment must therefore be created to ensure that community organizations have "work ready" individuals prepared for when opportunities arise.
- **Construction Labour Groups** must be consulted to understand how their training programs work, what their capacity for training is, where this training can be offered, and what the requirements for new workers joining the organization would be. This is a very important component to this entire process, as construction employers require sector-specific training to be completed before an individual is hired. Setting realistic employment targets must include consideration of training capacity.
- **Public Buyers** must be prepared to provide funding supports to establish the necessary social infrastructure to see SPP initiatives succeed; this includes financial support to community groups and construction labour organizations to ensure that the right individuals are recruited, trained, and supported to meet the demands of work in the construction industry. As the UCLA Labor Centre paper notes, SPP initiatives "...can drive up construction costs and add complexity to the requirements that contractors must already comply with."³ So, public buyers must be prepared to utilize their poverty reduction budgets to support the requisite "front-end" work.

³ *Exploring Targeted Hire: An Assessment of Best Practices in the Construction Industry*, UCLA Labor Centre: March 2014, p. 6.


- **Contractors** must be prepared to create new employment opportunities for workers and develop their own training programs to assist new workers to progressively develop their employment skills on the job.

Roll-out and Implementation of Pilot Projects:

While this program is in its infancy, it is critically important to take a slow and measured approach to implementation to ensure that we get it right, rather than simply force the program into place.

- **Proactively engage employers on a sector-specific level to understand what appropriate project thresholds look like.** Dollar value, labour requirements, and length of a project are all critical factors that must be considered when choosing projects to set SPP requirements on. Each of these items differ greatly between sectors. Some sectors are very labour intensive, while others are governed more heavily by material and machinery costs. These nuances must be understood so SPP requirements are being embedded appropriately in contracts.
- **Once a SPP is clearly and comprehensively designed, pilot the program** on a set number of projects over five years and then review for best practices. Be prepared to modify and adjust the program requirements during implementation as better practices are identified.
- **Be prepared to move away from project-based requirements.** If the broad objectives of this program are poverty reduction and more equal representation in the construction workforce, then a long-term, sustainable approach must be taken that seeks to adjust industry hiring trends. The "employer certification model" mentioned above on page 2 better lends itself to sustainable employment opportunities and long-term changes to industry hiring practices. This model should be considered after an appropriate number of pilot programs have been conducted, and the model has been perfected.

Appendix 6: McMaster University – In support of Social Procurement Initiative



**McMaster University a
Campus Collaboration in
Support of City of Hamilton
Social Public Procurement
Initiative**

March 19, 2019

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SUMMARY

Earlier this year the City of Hamilton launched an exciting new initiative to explore how the City could better leverage procurement to reduce poverty and align with the City's vision of making Hamilton the best place to raise a child and age successfully.

This initiative is a collaborative effort supported by the City's Public Works Department, by Healthy and Safe Communities and by Procurement, which has engaged Sandra Hamilton, a strategic social procurement expert, to assist in the development of the process.

"Imagine if companies bidding on City projects were rewarded for their commitment to employ people living in poverty or for business practices that improved lives. Imagine if we all committed to making a 10% shift in business as usual. If this were the case, what are the work place accommodations and new business practices that you would most like to see rewarded in City funded procurement contracts?"

Would later start times help overcome the struggle to find early morning child care? Could job sharing, more workplace flexibility, job carving, or employer assistance with transportation help?" Are we buying the future we want? Leveraging public procurement for the benefit of the whole community OPINION Apr 14, 2018 by Sandra Hamilton, Hamilton Spectator

This is the framework for discussions on moving the City of Hamilton towards a process for Social Public Procurement.

Required Citation: Sandra Hamilton 2018

This initiative is based on the work and research of Sandra Hamilton, Canada's First Social MBA and the author of both British Columbia's and Alberta's first Social Procurement Frameworks. SandraHamilton.ca <http://www.sandrahamilton.ca>

BACKGROUND

On November 15, 2018 - Sandra Hamilton, presented the project, timelines, and called for participation in community sessions by the Hamilton Job Developers Network, a group consisting of twenty-two organizations ranging from not-for-profits, city programs, and post-secondary members (Mohawk College and McMaster University). This group focuses on job development, training, and retention supports for under, unemployed, and newworkers of marginalized community members for Hamilton and area.

Early December, members of the Hamilton Job Developers Network and community stakeholders attended Design Labs for Social Public Procurement. Gisela Oliveira, Associate Director, and Katherine Hesson-Bolton, Diversity Employment Coordinator of Career & Employment Student Success Centre attended the Design Labs for Social Public Procurement. Over a five day period, Sandra facilitated five sessions with a focus on Youth, Women, Indigenous, Person with a Disability, Newcomers and Equity Seeking Groups discussing employment and skills development, business practices changes, and education.

In advance of the Design Labs for Social Procurement Labs community members were provided with articles related to Employment and Skills Development, Business Practice Changes and Education along with articles on Social Procurement. See Appendix 1- 3

PROJECT SCOPE

BRIGHTER WORLD | mcmaster.ca



Transforming how Hamilton and the broader society defines value is a key outcome within the social public procurement initiative. "Social value is a subjective term that means different things to different people. While there is no single definition of social value, it can be referred to as the wider, non-financial impacts of programs, organizations and interventions, including the wellbeing of individuals, communities, and/or the environment.

There are a wide range of approaches and social metrics options being developed for organizations that are interested in implementing the principles of social value assessments. It is important to note that each measurement methodology has a set of conditions that are often social organizations creating 'blended value' struggle with the following questions:

- "We change people's lives for the better. How do I measure that?"
- "There are many different groups of people involved in or interested in my organization. All these stakeholders seem to want different things. How do I prioritize them?"
- "I want to bid for work on a new social project. They have asked about social benefits that are gained from working with my organization. What is the right answer?"
- "They say that what gets measured gets valued, but how do I measure things like a new skill, increased access to employment, or changing attitudes towards elderly people?" (Eurodiaconia, 2013) Measuring Social Value A Social Metrics Primer, Babita Bhatt and Tessa Hebb With Assistance from Lesley MacKinnon, Carleton Centre for Community Innovation 9/17/2013

Psychological health is "A state of well-being in which every individual realizes his or her own potential, can cope with the normal stresses of life, can work productively and fruitfully, and is able to make a contribution to her or his community. (World Health Organization)

Social Value UK, they believe that social value has a huge potential to help us change the way we understand the world around us, and make decisions about where to invest resources. By changing the way we account for value, they believe that we will end up with a world with more equality and a more sustainable environment.

The Social Public Procurement Initiative framework will support Hamilton's mission to provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

Sandra is seeking an ongoing partnership with McMaster University to document the City of Hamilton Social Public Procurement initiative resulting in an umbrella framework for application of a national and international scale.

Project engagement would result in student employment opportunities based on a budget to support the partnership. Working from a Human Centred Design, noted is a brief list of desired outcomes.

- A. Mapping of Key Learning
- B. Codify Knowledge
- C. Documentation of the process building decision trees
- D. Creation of a central database open to the public sector regarding procurement and job creation
- E. Formula or process how value is defined and the impact to an individual when employment is secured or bettered

These opportunities would require additional review to define the full job description, budget and could consist of the following:

1. Staff Shadow/Researcher to work with Sandra following the process along building the vision and conducting literature reviews
2. Research/Writer producing material that support cultural change

PARTNERSHIP ANALYSIS

BRIGHTER WORLD | mcmaster.ca



The Social Public Procurement at City of Hamilton initiative converges on numerous department areas. It is key to have a coordinated communication process in place. One solution in addressing this significant aspect is the establishment of a Social Public Procurement campus working group with identified task leads to report back to the larger group.

The advantage to a Working Group will ensure various perspectives remain top of mind in providing research, service, and consultations. It must be the practice of the Working Group to keep at the forefront the aim of engaging equity-seeking students and staff for a broader diverse representation. On the other hand, based on the scope of the project, coordinating multi-campus stakeholders may become complex in coordinating tasks and a Project Manager or Chair should be in place.

As the initiative moves forward, and with involvement by McMaster, it is recommended a briefing be conducted with President Patrick Deane on the level(s) of engagement. March 2019 Sandra Hamilton, Advisor to Social Public Procurement at City of Hamilton is scheduled to present to The Hamilton Anchor Institution Leadership (HAIL) of which McMaster President is a member.

Given the scope of the project and the desire to provide paid opportunities for equity-seeking students, McMaster in discussion with Sandra investigate funding opportunities such as the Social Sciences and Humanities Research Council (SSHRC) <http://www.sshrc-crsh.gc.ca/funding-financement/index-eng.aspx> and the Procurement and Investment Readiness Fund <https://www.ontario.ca/page/procurement-and-investment-readiness-fund>. Dependent on funding guidelines, individual graduate students or external partners may be required to apply for funding.

McMaster University as a publicly funded research university, Hamilton-Niagara's top employer, ongoing community engagement, and serving students and staff within the designed equity-seeking groups will need to be sensitive to the potential outcomes of the social procurement project and its' own current and future procurement practices.

FACULTY INTEREST

ACTION ITEMS

1. A meeting be scheduled with staff and members across various faculties to review the Social Public Procurement at City of Hamilton initiative and identify key campus and community partners and areas of expertise
2. Staff from Student Success Centre attend the community Design Labs for Social Public Procurement and associated career and employment community meetings
3. Schedule a meeting with Sandra Hamilton to further review McMaster involvement and expertise and backings
4. Map out timelines and the development of a Working Group

ATTACHMENTS

SANDRA HAMILTON BIO

- Appendix 1 [The Spec: Are We Buying The Future We Want?](#)
- Appendix 2 [Social Procurement in Infrastructure](#)
- Appendix 3 [Social Procurement 101](#)
- Appendix 4 McMaster University Proposed Campus Partners – Discussion Paper

SANDRA HAMILTON BIO & CURRENT PROJECTS & CONFERENCE PRESENTATIONS

Advisor Bio: Sandra Hamilton: Strategic Procurement Advisor and Canada's First Social MBA Hamilton works with governments and industry to modernize procurement processes and to achieve more social value through public sector supply chains. For Hamilton "It's about moving beyond Do No Harm, to proactively Doing Some Good."

Known for her progressive, trade agreement compliant approach, Hamilton has designed both British Columbia's & Alberta's first Social Procurement Frameworks and was nominated by Global Affairs Canada to profile her work at the World Trade Organization (WTO) Symposium on Sustainable Government Procurement in Geneva.

Conferences-Presentations

Hamilton's work generates regular speaking invitations from organizations including: -
WTO – World Trade Organisation in Geneva, Symposium on Sustainable Government Procurement;
2017 Canadian Construction Association Conference, Mexico; UBCM - Union of B.C. Municipalities;
AVICC - Assn. Vancouver Island Coastal Communities; BC Farmers Market Association; the Alberta Network of Public Housing Conference; GFOA BC & CPA - Government Financial Officers Association; 2017 Canadian Capital Cities Conference and Unleashed Conference– CSED – Centre for Social Enterprise Development, Ottawa.

CONTACT INFORMATION

Gisela Oliveira, Associate Director,
Student Success Centre, Career & Employment, McMaster University
Office: 905-525-9140 ext. 24799
oliveig@mcmaster.ca

Katherine Hesson-Bolton, Diversity Employment Coordinator
Student Success Centre, Career & Employment, McMaster University
Office: 905-525-9140 ext. 27210
hessonbk@mcmaster.ca

Gail Krantzberg, Professor
W Booth School of Engineering Practice and Technology, McMaster University
Office: 905-525-9140 x 22153
krantz@mcmaster.ca

Kate Whalen, M.A., Ph.D. cand.
Senior Manager, Academic Sustainability Programs, McMaster University
Office: 905-525-9140 x21575
whalenk@mcmaster.ca

Amar Maharaj, Project Manager
Strategy, Quality & Continuous Improvement
Public Works Department, City of Hamilton
Office: 905-546-2424 ext. 2617
Amar.Maharaj@hamilton.ca

Kerry Lubrick, Human Services Employment Manager
City of Hamilton
Kerry.Lubrick@hamilton.ca

Sandra Hamilton EMBA Project Lead
Strategic Procurement Advisor
Office: 250-890-9386 | Mobile: 250-702-6206
Sandra@SandraHamilton.ca



CITY OF HAMILTON

NOTICE OF MOTION

Community Benefits Protocol Sub-Committee: May 28, 2024

MOVED BY COUNCILLOR T. HWANG.....

Light Rail Transit Early Works Community Employment Benefits

WHEREAS, the construction of the Light Rail Transit (LRT) project and the delivery of regular operation and service will create significant employment opportunities;

WHEREAS, community benefits agreements ensure residents have equitable opportunities and economic inclusion through commitments to social procurement and social enterprise opportunities;

WHEREAS, the Pillar One “Employment Opportunities” of Metrolinx’s Community Benefits and Supports Program, and reiterated by their President and Chief Executive Officer Phil Verster, looks to promote apprenticeship training and workforce development opportunities for local communities and equity seeking groups;

WHEREAS, Metrolinx, through project delivery on the Finch West, Eglinton Cross Town and Hazel McCallion LRTs, has gained substantial experience in delivering Community Employment Benefits and providing apprenticeship training and workforce development opportunities for local communities and equity seeking groups; and

WHEREAS, The City of Hamilton has been responsible for the delivery of several LRT early works, including Wentworth – Construction of a 500mm and 200mm watermain, Sherman – Construction of a 300mm watermain; and, Rosewood/Main – Construction of a 1200mm watermain paid for by Metrolinx.

THEREFORE, BE IT RESOLVED:

- (a) That staff be directed to work with Metrolinx, to identify projects, and attempt to deliver community employment benefits and social procurement ideals to the City-led procurement for any future LRT early works tendered in 2025 and beyond;
- (b) City Staff report back to the relevant committees the findings of those conversation with Metrolinx, including any challenges, barriers or successes; and
- (c) That the Mayor and City Clerk be authorized and directed to execute any required agreement(s) and ancillary documents, with such terms and conditions in a form satisfactory to the City Solicitor and Metrolinx while meeting the City’s procurement policy and authority to award the contracts.