Regional Municipality of Waterloo  
Ad Hoc Community Benefits Procurement Committee  
Agenda

Wednesday, March 30, 2022, 1:00 p.m.
Meeting to be held electronically
150 Frederick Street, Kitchener, Ontario

Should you require an alternative format please contact the Regional Clerk at Tel.: 519-575-4400, TTY: 519-575-4605, or regionalclerk@regionofwaterloo.ca

1. Call to Order
2. Declarations of Pecuniary Interest under the “Municipal Conflict of Interest Act”
3. Approval of Minutes of Previous Meeting – February 09, 2022

   Recommended Motion:
   That the minutes of the Ad-Hoc Community Benefits Procurement Committee from February 9, 2022 be approved.

4. Reports
   4.1. Community Benefits Procurement Pilot Projects

   Recommended Motion:
   That the Regional Municipality of Waterloo take the following actions with respect to the implementation of a Community Benefits/Workforce Development Agreement framework as outlined in the report COR-TRY-22-28/CSD-EIS-22-01 dated March 30, 2022:

   a. Direct staff to pilot Community Benefits/Workforce Development Agreements by including the workforce development requirements described in this report in the upcoming tenders for the construction of the community housing projects at 416 Kingscourt Drive, Waterloo and 82 Wilson, Kitchener; and

   b. Approve the inclusion of a cash allowance of up to $100,000 for each tender as an incentive for the successful general contractor to effectively collaborate in the pilot and engage in the required workforce development activities.

5. Other Business
6. Next Meeting
7. Adjourn
Recommended Motion:
That the meeting adjourn at TIME
Ad Hoc Community Benefits Procurement Committee Minutes

February 9, 2022, 6:00 p.m.
Meeting to be held electronically
150 Frederick Street, Kitchener, Ontario


1. Roll Call

J. Hale conducted the roll call.

Land Acknowledgement

Chair Strickland provided a land acknowledgement.

2. Declarations of Pecuniary Interest under the “Municipal Conflict of Interest Act”

None declared.

3. Approval of Minutes of Previous Meeting – January 27, 2022

Moved by T. Galloway

Seconded by J. Nowak

That the Ad Hoc Community Benefits Procurement Committee approve the minutes of January 27, 2022, as presented.

Carried

4. Presentations

4.1 Staff Presentation - Stakeholder Discussion and Public Input Meeting

4.1.1 Craig Dyer, Commissioner, Corporate Services/Chief Financial Officer Martha Wolf, Manager, Employment and Income Support, and Christine Stahl, Social Planning Associate, Employment and Income Support, provided a presentation; a copy is attached to the

Document Number: 3950049 Version: 1
original minutes. C. Dyer provided an overview of Committee background information and objectives.

M. Wolf provided current statistics related to disproportionate burden for Ontario Works participants and racialized persons. She described key learnings specifically that Community Benefits align with the Region of Waterloo’s vision of inclusivity, equity, and diversity. She noted that although it is a worthy endeavour there are many factors that must be considered prior to implementation such as how to quantify success.

M. Wolf described the proposed approach and the process to achieve Committee objectives.

C. Stahl reviewed workforce development activities such as opportunities for registered apprenticeships. She provided an overview of the general conditions for the proposed pilot for 416 Kingscourt Dr. capital project. The pilot will be evaluated, in conjunction with stakeholder input, to inform formal policies and future community benefit requirements.

C. Dyer reiterated that community input is an ongoing process.

In response to the Committee, M. Wolf described that there are a number of indicator for success and that success should not be limited to quantifiable indicator, such as length of employment, but rather there should be qualitative indicators as well.

5. Delegations

5.1 Karen Renkema, Vice President, Ontario, Progressive Contractors Association, and Scott Taylor, President, McLean Taylor/Stone Town Construction

K. Renkema expressed that Canada’s construction industry should have fair and open competition with various labour models in which no contractor is given artificial or unfair advantage on the basis of union affiliation. She explained that the construction sector is primarily transient and that the length of the project does not mean that the length of employment such that an electrician would not be required for the entirety of a construction project. She expressed concern about employment interest in skilled-trades. She suggested that there should be incentives and that the scope be widened to include positions beyond apprenticeships and skilled-trades such as administrative roles or truck
drivers. She recommended that the minimum threshold for a Community Benefits Agreement to be added to a construction contract be $15 million.

S. Taylor agreed that the underrepresented groups are underrepresented in this industry but as a business there is no opportunity to hire these individuals as no one is submitting resumes. S. Taylor expressed concern regarding the transient and fast-paced nature of the industry with training requirements.

In response to the Committee, S. Taylor described the City of London community benefits policy as broader and more flexible that increases workforce, mitigates risk and improves the bidding process.

5.2 **Patrick McManus, Executive Director, Ontario Sewer & Watermain Construction Association**

P. McManus expressed support for the measured approach proposed by the Region of Waterloo. He clarified industry processes could conflict with the proposed approach as inexperienced workers should not be utilized for large construction projects in practice. He recommended that hiring requirements consider different construction types and that the Region provide an allowance so that companies can provide training and experience with minimal additional cost.

5.3 **Ian DeWaard, Ontario Director, Christian Labour Association of Canada**

I. DeWaard expressed support for the proposed measured approach specifically that the approach is flexible and the use of pilot projects. He expressed concern that the minimum threshold cost of a project of $5 million is too low as that would include construction projects with short time periods such as a HVAC refitting. He also expressed concern that the proposal is too focused on registered apprenticeships. He recommended maintaining a flexible approach by providing a variety of workforce development activities, expand the focus of the pilot to include work and learning opportunities in a variety of construction position such as administrative/non-apprenticeship, revaluate the project threshold, and use the City of London approach as a reference.

In response to the Committee, I. DeWaard identified that the proposed approach encourages diversity and inclusion by using service contracts, engaging local businesses, and partnering with local community agencies.
5.4 Lionel Railton, Director, Canadian Region, International Union of Operating Engineers

L. Railton expressed support for the proposed approached. He stated that Canada has been suffering from work shortages and that community benefits are effective at utilizing underrepresented groups.

*L. Railton returned to the meeting at 7:09 p.m.

In response to the Committee, L. Railton identified that an unintended consequence is that smaller business tend to hire individuals with preliminary training as small businesses do not have the apprenticeship infrastructure.

In response to the Committee, L. Railton explained that community benefits were traditionally used for long term projects as the application processes were cumbersome. However, it is becoming more common for community benefits to be applied to smaller projects as it has more likelihood to benefit underrepresented groups.

In response to the Committee, L. Railton clarified that the community benefits structure in British Columbia is open to bids from any contractor including non-unionized contractors.

5.5 Marc Arsenault, Business Manager, Building and Construction Trades Council of Ontario

M. Arsenault recommended that there be various approaches utilized instead of a singular approach as there can be a wide range of requirements for each individual project.

In response to the Committee, M. Arsenault explained that success is quantified through the intersection of the following factors: industry best practices, expanding community benefits along the supply chain, engaging the community through apprenticeships and social enterprises, and ensuring process is considered as a part of the outcome.

5.6 Rosemary Powell, Executive Director, Toronto Community Benefits Network

R. Powell expressed strong support for the proposed community benefits approach. She identified various construction projects that have benefitted from community benefit agreements. She recommended that specific diversity objectives be established and engage the community to identify needs of both the Employer and Employee. She recommended that a
robust monitoring and evaluating system be established to quantify success.

In response to the Committee, R. Powell explained that contractors, both union and non-union, are supported but are not permitted in the organization.

5.7 **Sean Campbell, Kitchener**

S. Campbell expressed support for community benefit programs that are accessible and that utilize social enterprises and non-profits. He recommended establishing a platform to provide procurement assistance.

5.8 **Suzanne Moyer, Dean, Trades and Apprenticeship, Conestoga College and Tony Thoma, Executive Dean, Engineering, Technology and Trades**

S. Moyer and Thoma provided a presentation to discuss Conestoga College approach to address the shortage of skilled trades and how to attract underrepresented groups to skill trades. Conestoga offers over thirty secondary trades programs and are working with partners on outreach initiatives to target underrepresented groups.

In response to the Committee, S. Moyer stated that there are programs and apprenticeships that can assist new Canadians that have skilled trades from their previous Country.

5.9 **Ian McLean, President & CEO Greater Kitcher Waterloo Chamber of Commerce, Greg Durocher, President & CEO, Camber Chamber of Commerce (Video)**

I. McLean and G. Durocher provided a video which discussed the importance of ensuring that policies are designed to benefit local businesses.

6. **Correspondence**

6.1 **Edward Dreyer and Wes Quickfall, Grand Valley Construction Association re: CBA Model is Flawed**

6.2 **Joseph Maloney, Executive Director, Helmets to Hard Hats - Letter of Support: Community Benefits Agreements**

6.3 **Ian McLean, President & CEO Greater Kitcher Waterloo Chamber of Commerce, Greg Durocher, President & CEO, Camber Chamber of Commerce – Community Benefit Agreement Proposal Comments**
7. **Other Business**
   None.

8. **Next Meeting**
   To be determined.

9. **Adjourn**
   Moved by J. Nowak
   Seconded by K. Redman
   That the meeting adjourn at 7:51 p.m.
   Carried

**Committee Chair**, S. Strickland

**Committee Clerk**, J. Hale
To: Chair Strickland and members of the Ad Hoc Community Benefits Procurement Committee

Meeting Date: March 30, 2022

Report Title: Community Benefits Procurement Pilot Projects

1. Recommendation:

That the Regional Municipality of Waterloo take the following actions with respect to the implementation of a Community Benefits/Workforce Development Agreement framework as outlined in the report COR-TRY-22-28/CSD-EIS-22-01 dated March 30, 2022:

   a) Direct staff to pilot Community Benefits/Workforce Development Agreements by including the workforce development requirements described in this report in the upcoming tenders for the construction of the community housing projects at 416 Kingscourt Drive, Waterloo and 82 Wilson, Kitchener; and

   b) Approve the inclusion of a cash allowance of up to $100,000 for each tender as an incentive for the successful general contractor to effectively collaborate in the pilot and engage in the required workforce development activities.

2. Purpose / Issue:

The purpose of this report is to recommend to the Committee the terms of a pilot Community Benefits/Workforce Development Agreement framework for use in an upcoming Waterloo Region Housing Master Plan redevelopment project.

3. Strategic Plan:

Thriving Economy 1.1: Create a competitive business-supportive community to help attract, retain and grow employers, talent and investments in Waterloo Region.
Healthy Safe and Inclusive Communities 4.3: Promote and enhance equity in policies, planning, services, and decision-making in order to positively impact community wellbeing.

4. **Key Considerations:**

   a) The objective of this initiative is to look for ways to use the Region's buying power to recruit, engage and retain a diverse labour force including under-represented groups (Indigenous Peoples, Women, Black Canadians, people of colour, newcomers/immigrants), veterans, youth and other workers.

   b) Taking into account the objectives of the Region as well as input from various stakeholders, staff recommend the following approach to establishing a pilot Community Benefits/Workforce Development Agreement framework:

   i. Workforce development participants for the pilot project will be from groups who are underrepresented in the construction industry. These are: women, Indigenous people, persons with disabilities, newcomers/new immigrants, 2SLGBTQ+ people, veterans, racialized people, people in receipt of assistance pursuant to the Ontario Works Act, 1997 and other groups who have been historically underrepresented and/or face systematic barriers.

   ii. The construction tender will be awarded to the lowest compliant bidder per the normal Regional award process. There was a prequalification for general contractors on the Kingscourt Drive project. Proposed wording for inclusion in the Kingscourt Drive tender is included in Appendix B.

   iii. The successful contractor will be required to reach a target of 1000 to 1500 total hours of workforce development activities between all workforce development participants. It would also be required to engage a minimum of five workforce development participants, but would not be limited to a maximum number of participants. In recognition of the realities of the industry, the needs of the project and the fit of the participants, the hours would be distributed between workforce development participants at the discretion of the contractor.

   iv. The Contractor for the project would have the flexibility to determine the types of workforce development activities as per the needs of the project, its team and the ability of participants. Participants will be employees of the Contractor. Recommended activities include:

   - Job shadowing
   - General labour
   - Work in administration and/or other roles
• Other meaningful activities for workforce development participants as proposed by the contractor

v. Region of Waterloo Employment Ontario (EO) staff will work with the contractor to understand staffing needs and the skill requirements for participant candidates. Staff will collect referrals of candidates from underrepresented groups from community partners and other EO providers.

To increase the likelihood of success for the participants, EO will provide following supports:

• Coordination with EO providers from across Waterloo/Wellington
• Screening of candidates
• Orientation for selected workforce development participants
• Wraparound supports for workforce development participants
• Supports for the contractor to ensure a safe and supportive workplace for racialized/diverse workers

vi. Factoring in the pros/cons of models for the inclusion of Community Benefits/Workforce Development requirements as outlined in Appendix C, as well as input from various stakeholders, staff recommend that the Region use a cash allowance incentive for the pilot (option 5). This would involve:

• The Region incorporating a cash allowance of up to $100,000 for the contractor to draw on if it implements a community benefit work plan that is pre-approved by the Region and verified before payment.

• As a further incentive to the contractor, and to reflect the anticipated time and effort, the cash allowance provision would allow the contractor to incorporate a mark up on any wages paid to participants in the pre-approved work plan.

• In order to be paid for efforts, the cash allowance will be drawn upon monthly subject to receipt of a proper invoice. Work associated with this pilot will require documentation such as timesheets of participants and contractor staff who are involved with the pilot, along with completed feedback forms.

vii. A team of Region staff will conduct an evaluation of the pilot and will provide a report on the findings.

c) Staff recommend that the pilot be a collaboration between the successful contractor and the Region of Waterloo to navigate and learn from the process of working towards a meaningful Community Benefits/Workforce Development Agreement framework. Significant effort will be required by both parties to
resource, implement and evaluate the process. It is proposed that a group of dedicated staff support this process. This recommendation is based on feedback from stakeholders, particularly contractors, and from the experiences of other municipalities who have attempted community benefits programs.

d) It is proposed that this approach be piloted initially with the Waterloo Region Housing (WRH) Master Plan redevelopment project at 416 Kingscourt in Waterloo, which involves the construction of an apartment building comprised of 73 affordable housing units. The tender for this project is expected to be awarded by Regional Council at its meeting in June 2022. Staff would incorporate initial feedback and learnings from this project into the next WRH Master Plan redevelopment project at 82 Wilson in Kitchener, the tender for which is expected to be issued in Q3/Q4 2022.

5. **Background:**

The resolution passed by Council in 2021 to form the Ad-hoc Committee is included as Appendix A. The Committee’s mandate was to consider the advantages, disadvantages, implications, desired outcomes and costs of various options for the use and implementation of Community Benefits Agreements/Workforce Development Agreements at the Region of Waterloo, and to make recommendations to Regional Council. At its meeting on December 10, 2021 the committee approved the following motion:

"That the Ad Hoc Community Benefits Procurement Committee supports, in principle, the proposed plan, including the pilot projects, as provided in the attached presentation of December 10, 2021."

Pilot projects refer to Waterloo Region Housing Master Plan projects on Kingscourt Drive in Waterloo and Wilson Road in Kitchener.

6. **Area Municipality Communication and Public/Stakeholder Engagement:**

Regional staff and the Ad Hoc Community Benefits Procurement Committee sought feedback on Community Benefits/Workforce Development Agreements and the proposed pilot through stakeholder consultations, a public input meeting and a survey on the Engage Region of Waterloo platform. In general, the stakeholders consulted were supportive of community benefits/workforce development. Stakeholders provided insight into the construction industry, identified potential challenges and made recommendations for engaging in Community Benefits/Workforce Development Agreements. Learnings from the stakeholder consultations and public engagement have been incorporated into the proposed pilot. A detailed summary of the feedback is outlined in Appendix D.
7. **Financial Implications:**

The Region’s 2022-2031 Housing Services Capital Program includes $35.6M in 2022-2024 for the Kingscourt Drive project and $20.7M in 2022-2024 for the Wilson Avenue project. Subject to approval by the Ad hoc committee and Regional Council, a cash allowance of $100,000 will be included in each of the construction tenders and will reflected in the bid amounts submitted by pre-qualified general contractors. Payments will be made to the successful general contractors as eligible costs are incurred and stated objectives are met. This would occur over the duration of the projects.

8. **Conclusion / Next Steps:**

The next steps relating to this initiative are as follows:

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<tr>
<th>Date</th>
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<tr>
<td>March 30</td>
<td>Ad Hoc Community Benefits Procurement Committee meeting</td>
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<td>April 13</td>
<td>Briefing to the Housing &amp; Homelessness Steering Committee</td>
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<td>April 20</td>
<td>Public release of the agenda for the April 27 Council meeting – the agenda will include the recommendations from the Ad hoc Community Benefits Procurement Committee from March 30 and this report</td>
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<td>April 27</td>
<td>Regional Council consideration of the recommendations from the Ad Hoc Community Benefits Procurement Committee</td>
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<td>May-June</td>
<td>Open period for Kingscourt Dr. construction tender</td>
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<td>June 22</td>
<td>Council award of Kingscourt Dr. construction tender</td>
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9. **Attachments / Links:**

   - Appendix A: Resolution passed by Regional Council on April 21, 2021
   - Appendix B: Draft Principles to include with Kingscourt Drive Tender Document
   - Appendix C: Options for Community Benefits Contracts
   - Appendix D: Memo to Ad Hoc Community Benefits Procurement Committee re: stakeholder consultation

**Prepared By:** Christine Stahl, Social Planning Associate  
Martha Wolf, Manager, Employment and Income Support  
Richard Schafer, Manager, Facilities Planning and Performance

**Reviewed By:** Ad-hoc Community Benefits Procurement Staff Team

**Approved By:** Craig Dyer, Commissioner, Corporate Services/Chief Financial Officer
Appendix A: Resolution passed by Regional Council on April 21, 2021

Whereas the COVID-19 pandemic has disproportionately impacted employment opportunities for underrepresented groups (Indigenous Peoples, Women, Black Canadians, people of colour) and;

Whereas the January 2021 Labour Force Survey from Statistics Canada indicates that as a result of the economic upheaval from to the pandemic unemployment rates are higher for racialized Canadians at 20.1 per cent for Southeast Asians, 16.4 per cent for Black Canadians, 16.6 per cent for Latin Americans and;

Whereas information from Statistics Canada also demonstrates the impact the pandemic has had on female employment with core-age females posting the largest employment declines in January and female youth employment dropping 6.1 per cent in January and remaining 17.4 per cent lower than pre-pandemic levels and;

Whereas the construction industry strives to recruit, engage and retain a diverse labour force, underrepresented groups (Indigenous Peoples, Women, Black Canadians, people of colour), veterans, youth, and other workers and;

Whereas the Region of Waterloo spends approximately $600 million on its capital budget every year and;

Whereas many jurisdictions across Canada at the federal, provincial, and various levels of local governments are mandating, and several other jurisdictions are considering, Community Benefits Agreements/Workforce Development Agreements on construction projects and/or various forms of social procurement initiatives with much success;

Therefore, let it be resolved that the Region of Waterloo form an ad hoc steering committee with councillors and supported by staff to determine specifics related to Community Benefits Agreements/Workforce Development Agreements and report back in September.
Appendix B: Draft Principles to include with Kingscourt Drive Tender Document

Community Benefit and Workforce Development Plan

As part of this construction project, the Region is including a community benefit component that the Contractor will participate with and report on progress regularly.

Objective: to consider ways of leveraging the Region’s buying power to recruit, engage and retain a diverse labour force. The construction project at 416 Kingscourt, Waterloo will include a pilot component to test out elements of the approach.

Background: The Region recently engaged public stakeholders and other agencies to inform development of a framework for Community Benefits Agreements/Workforce Development Agreements. Discussions and planning led to this pilot approach that would be based on collaborating with the Contractor to explore how such a program would benefit all stakeholders. The Region has established some preliminary requirements, but expects the Contractor to bring forward their own ideas for a successful collaboration.

Cash Allowance: A cash allowance of up to $100,000 per project site is made available for the Contractor to draw on with the implementation of the workforce development plan, as pre-approved by the Region and verified before milestone payments.

Requirements: The Contractor shall prepare a workforce development plan (“WDP”) and shall meet with the Owner’s staff within ten (10) Working Days after the execution of the Agreement to review and develop details of the WDP and its implementation. The Contractor shall subsequently follow up with a WDP in form ready for review and approval by the Owner within fifteen (15) Working Days. After acceptance by the Owner, the WDP shall form a part of the Agreement.

The WDP will require the Contractor to implement workplace development strategies in regard to the following persons (“Designated Persons”) who are not currently employed by the Contractor or its Subcontractors:

- Women, Indigenous people, persons with disabilities, newcomers/new immigrants to Canada, 2SLGBTQ+ people, veterans, racialized people, people in receipt of assistance pursuant to the Ontario Works Act, 1997 and other groups the Region identifies in writing to the Contractor as historically underrepresented and/or face systematic barriers.

Elements of a meaningful WDP could include opportunities to hire directly or through sub-contractors. Program elements could encompass the following, either stand alone or any hybrid of multiple approaches, and in consultation with the Owner:

- work-based learning, including activities that emphasize learning for Designated Persons in a real work environment and through practice on the
job. Such activities range from shorter and less formal workplace exposure to more dedicated training to allow participants to gain skills to compete for emerging job opportunities;

a) employment of Designated Persons could be as general labour, site assistants, administration support in a field or central office

b) other appropriate activities that provide employment-related opportunities for Designated Persons

- The Contractor may satisfy these requirements with its own forces or with forces employed by its subcontractors.

- The Contractor will be required to reach a target of 1000 to 1500 total hours of workforce development activities between all workforce development participants. The Contractor will engage a minimum of five workforce development participants but will not be limited to a maximum number of participants. In recognition of the realities of the industry, the needs of the project and the fit of the participants, the hours would be distributed between workforce development participants at the discretion of the Contractor.

- The Region acknowledges the Contractor will need to resource support of this pilot that is in addition to typical efforts to lead a construction project.

- The Contractor shall implement, and perform the Work in accordance with, and in compliance with, the WDP accepted by the Owner.

- The WDP shall identify a Contractor liaison for all issues related to the WDP, including oversight of participants in their own team as well as those of subcontractors. Such liaison shall -
  
  o devote a minimum of four (4) hours per month to administer and/or implement the WDP;
  o hold meetings with Owner staff in accordance with the schedule detailed in the WDP; and
  o monitor, track and report on the progress and outcomes of the WDP in accordance with the WDP.

- The Region of Waterloo Employment Ontario (EO) staff will work with the Contractor to understand their staffing needs and the skill requirements for participant candidates. Region staff will collect referrals of candidates from under-represented groups from community partners and other EO providers.

- To increase the likelihood of success for the participants, EO will provide following supports:
  
  o Coordination with EO providers from across Waterloo/Wellington
  o Screening of candidates
• Orientation for selected workforce development participants
• Wraparound supports for workforce development participants

**Monitoring, Evaluation and Reporting:** This pilot will be a collaboration between the Contractor and the Region to navigate and learn from the process of working towards a meaningful Community Benefits/Workforce Development Agreement framework. Significant effort will be required by both parties to resource, implement and evaluate the process.

- The Owner shall confirm all reporting requirements in respect of the WDP. Records in respect of the implementation activities and outcomes of the WDP shall be maintained by the Contractor for the term of the Agreement, and such records will be reviewed monthly and considered by the Owner as a component of progress payment certificates.
- The Region will have one staff member involved who will act as a bridge on all elements of the pilot. They will not administer the Contractor’s program, but will gather and consolidate feedback for internal reporting and decision making as needed.
- The Contractor will meet with the Region at least once per month through the duration of the construction project where participants are actively engaged, to discuss progress and any concerns.
- The Contractor will submit documentation with monthly progress payment certificates as determined and approved by the Owner in the WDP, and are needed to form a proper invoice that could include:
  - Daily timesheet log in MS Excel for each of the participants
  - MS Excel Timesheet for Contractor staff involved with the pilot elements
  - Feedback mechanism, which could include periodic surveys and personal check-ins with the Contractor liaison. The details of this are to be worked out between the Contractor and the Region, however the intention is to demonstrate trends for various elements requiring feedback. Examples could include questions similar to “on a scale of 1-10, how effective is this pilot for achieving the program objectives”, “are you seeing any concerns with participants’ integration with your staff or construction site”, or “how likely are participants to be successful with future work opportunities”.
  - Feedback from participants will also be sought by the Region each month.
  - Breakdown of roles, hours and wages spent out on the pilot the past month.

**Participant Consent Form:** As a pre-condition of participation in the WDP, each approved Designated Person shall execute a Participant Consent Form, in a form provided by the Region, which will set out the participant’s role and responsibilities and consent to the Region’s collection of personal information and feedback for the purposes of the pilot.
## Appendix C: Options for Community Benefits Contracts

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<th>Option</th>
<th>Advantages</th>
<th>Risks</th>
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<tr>
<td>1.</td>
<td><strong>Contract Requirement (RFP)</strong> - Make it a requirement of a RFP process that each bidder provides a work development plan without any minimum requirements that will be scored together with other factors such as price. Work development plan of selected bidder will then become a term of the construction contract.</td>
<td>Flexibility for bidders to come up with plan. Allows Region to review proposed plans before being bound by low price. Creates certainty for Region on what selected contractor will do for social procurement.</td>
<td>Industry currently lacks sophistication, experience as well as labour pools to develop plans. The Kingscourt project is already tender ready with specifications; an RFP would upend this approach, causing an unacceptable delay to delivering this project in the timelines expected. Some risk that bidder with best plan is not best contractor. Risk of contract dispute / default if contractor can not abide by plan.</td>
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<td>2.</td>
<td><strong>Contract Requirement (Tender)</strong> - Make it a requirement of the tender and construction contract that the general contractor provides a work development plan after the tender award that meets a defined target (hours/ types of activities/ percentage) for community benefit. Accepted work development plan will then become a term of the construction contract.</td>
<td>Region has more certainty by setting minimum requirements / targets. Obtaining the lowest price has a financial benefit. Doesn’t impact on current construction schedule.</td>
<td>Industry currently lacks sophistication, experience as well as labour pools to develop plans. Potential for dispute and delay while Region and accepted bidder negotiate approved work development plan. The lowest bidder may not have the best work development plan. Risk of contract dispute / default if contractor can not abide by plan.</td>
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<td>3.</td>
<td><strong>Cash Allowance Incentive</strong></td>
<td>3. Make it a requirement of a RFP process that each bidder provides a work development plan in regard to a cash allowance (up to $100,000) that will be scored together with other factors such as price. Work development plan of selected bidder and cash allowance provision will then become a term of the construction contract.</td>
<td>Industry currently lacks sophistication, experience as well as labour pools to develop plans. The project is already tender ready with specifications; an RFP would upend this approach, causing an unacceptable delay to delivering this project in the timelines expected. Some risk that bidder with best plan is not best contractor. Region may not get any acceptable work development plan notwithstanding the cash allowance incentive.</td>
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<td>4.</td>
<td><strong>Cash Allowance Incentive</strong></td>
<td>3. Incorporate a cash allowance (up to $100,000) in the tender and construction contract and then have the contractor provide a work development plan after the tender award on how it will utilize the cash allowance.</td>
<td>Industry currently lacks sophistication, experience as well as labour pools to develop plans. Region may not get any acceptable work development plan notwithstanding the cash allowance incentive.</td>
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<td>5.</td>
<td><strong>Cash Allowance Incentive (Tender) with Region supports</strong> -</td>
<td>Flexibility for bidders to come up with plan. Does not require previous experience with community benefits/ diverse labour pools. More construction industry buy-in and less risk of dispute if use incentive. Doesn’t impact on current construction schedule.</td>
<td>Region may not get any acceptable work development plan notwithstanding the cash allowance incentive.</td>
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<td>Incorporate a cash allowance (up to $100,000) in the tender and</td>
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<td>construction contract and then partner with the contractor to create a</td>
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<td>work development plan after the tender award. Regional Employment</td>
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<td>Ontario staff to provide support in sourcing diverse participants for</td>
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<td>workforce development activities.</td>
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<td>6.</td>
<td><strong>Bonus Incentive</strong> -</td>
<td>Flexibility for bidders to come up with plan. More construction industry buy-in and less risk of dispute if use incentive.</td>
<td>Region may not get any community benefit notwithstanding the cash bonus incentive.</td>
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<td>Incorporate a bonus (up to $50,000) in the construction contract</td>
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<td>if the contractor meets certain defined targets for community benefit.</td>
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Appendix D: Memo to Ad Hoc Community Benefits Procurement Committee re: stakeholder consultation

Region of Waterloo
Community Services Department

To: Ad Hoc Community Benefits Committee
CC: Craig Dyer, CFO
From: Martha Wolf, Manager, Employment and Income Support; Christine Stahl, Social Planning Associate, Community Services Department
Date: March 1, 2022
Re: Community Benefits Stakeholder Feedback

1. Topic and Purpose
In December 2021, the Ad Hoc Community Benefits Procurement Committee supported in principle the proposed Community Benefits/Workforce Development plan, including the pilot projects, presented by Regional staff. As the next step, staff and the Ad Hoc Community Benefits Procurement Committee sought feedback on the proposed pilot through stakeholder consultations, a public input meeting and the Engage Waterloo Region platform.

2. Summary of Findings
In general, the stakeholders consulted were supportive of community benefits and workforce development. There is a considerable need for workers across the construction industry and particularly within some specific trades such as heavy civil. Community benefits, if done well, could increase the number of people entering the industry while supporting those facing barriers to entering the workforce.

291 community members visited the community benefits page on the Engage Waterloo Region platform. Of those, 40 participated in a survey requesting their feedback on the plan and pilot. There were mixed levels of support for the plan, with some supporting the idea and some strongly opposed.

Key themes of the feedback from the consultations, public input meeting and survey included:
• Industry-related feedback
• Selection of workforce development participants
• Supports for workforce development participants
• Program design and evaluation
• Public communication

Descriptions of the themes are outlined below:

Industry related feedback

a) Selection of projects for the inclusion of community benefit

The $5 million threshold is not an appropriate measure for a project to be considered for Community Benefits Agreements (CBAs). Larger projects, those over $50 million, would be better suited for their inclusion. The length of the project should also be considered when determining if CBAs will be used. It was suggested to also consider ongoing or longer-term services outside of construction, such as water meter servicing, to provide more stable opportunities for employment.

b) Nature of the construction industry

In the span of a construction project, trades are involved for shorter portions of the project. Even in a year or multi-year project, most skilled workers (e.g. electricians) are only required for a period of a few weeks to a couple months. A suggestion to mitigate this problem was to allow contractors to provide workforce development activities for other areas of the industry such as administration instead of limiting it to the trades.

Representative from Employment Ontario expressed that short-term contracts could be problematic with reporting requirements under the new Employment Service Transformation. However, short-term contracts and workplace learning opportunities do provide benefits, particularly for those looking for experience and for people with disabilities.

c) Apprenticeships are not a viable workforce development option

Voluntary trades do not require registered apprenticeships. For compulsory trades, there are existing ratios for apprentices to other fully qualified employees (e.g. 1 apprentice to every 3 masons). Due to both of these factors, including apprenticeships as a main component of CBAs would pose significant challenges for contractors.

In addition, stakeholders identified that those completing apprenticeships already have an employer and even those who are in college programs are typically guaranteed employment when they complete their program. Assistance is needed more to get people interested and in entry positions in the industry.
Selection of workforce development participants

a) Potential participant roster

Recruitment is already a challenge for a number of trades within the construction industry. Construction associations suggested the creation of a roster of work-ready individuals from which companies can select participants. Some were even eager for a list prior to the pilot to share with contractors to augment their current recruitment. A similar concept is currently being tried in other municipalities as the Toronto Community Benefits Network (TCBN) has a portal to connect people into opportunities. There was concern that members of equity-deserving groups may not hear about the opportunities, so information about a roster or other recruitment strategies should be shared broadly.

It was also noted that individuals on a roster should be vetted beforehand to ensure that the individual understands the job requirements (start at 7am, length of day etc.), is willing to conform to the rules/expectations of the job and who will try hard.

b) Social Enterprise

Social enterprise have many benefits and could be a good tool for CBAs. If social enterprises are incorporated into the plan, measures should be taken to ensure fair access to them by contractors such as by providing a list of eligible organizations. Additionally, further research should be done to identify what local community organizations led by Indigenous, Black and other groups are already doing for workforce development.

Supports for workforce development participants

a) Training

Training is an important to ensure the safety of participants, success on the job and quality of work. There is an understanding that there will be an investment from the contractor of time and resources, and the desire is that these investments result in some successful long-term hires.

If funds are available to support training, Conestoga College informed that it could create a short (4 week) certificate course on core foundational skills, such as working at heights, for CBA participants. The college has experience in developing similar programs and is able to launch a course quickly. They would also be able to do recruitment for the course. This would generate a new pool of candidates that the industry could tap into to meet its hiring needs.

Stakeholders expressed concerns about requiring the involvement of workforce development activities for skilled trades in the pilot. Training for these trades takes years and would extend beyond the timeframe of the pilot.
b) Wraparound supports

Wraparound supports tend to be an important part of community benefits (i.e. early daycare, rideshare programs). Stakeholders recommended working with the community to implement supports for CBA participants and that the supports available need to be clearly communicated with construction companies. Conestoga College has experience providing wraparound supports to participants in their pre-apprenticeship programs.

c) A safe working environment

There is a potential risk of workplace harassment and discrimination for equity-deserving groups. Considerations need to be made beforehand for the prevention and response to instances of discrimination and harassment.

Program design and evaluation

a) Clarity

Although flexibility is important for contractors, it is also critical that tenders and contracts are clear in the expectations around Community Benefits Agreements. This will ensure the success of the project and maintain a fair experience for bidders.

b) Allowance

All of the construction associations consulted strongly recommended that incentives such as the inclusion of cash allowances for workforce development activities should be included in tenders. An allowance would provide the necessary funding for training, mitigate the risks of unsuccessful placements and cover the additional time and resources required to support workforce development participants. Allowances, as opposed to penalties for missing targets, would increase buy-in from contractors and increase the likelihood of success of CBAs.

c) Indicators of Success

It was recommended that a number of success indicators could be considered including the number of individuals from under-represented groups that are:

- oriented to a trade/construction labour position
- hired for a short term contract in a trade/labour position
- chose to continue working in a trade/construction position
- chose a different career path and successfully transitioned to it

It was also suggested that the measurement of success should not only be focused on the number of people placed, but also how the Region helped local businesses and contractors to be more diverse and inclusive.

d) Data collection /tracking

CBAs should include robust tracking and evaluation. Tracking and evaluation have been a challenge for other projects, but it would be easier to track if workforce development participants are employed through an allowance. An additional measurement to consider is to follow the participants for a year or two after participating to determine
whether the experience supported long-term employment. It was recommended that qualitative and quantitative analysis both be completed as part of the CBA analysis.

Public communication

The public responses in the survey on Engage WR identified that more and clear communication is required about the pilot and the future community benefits policies. A couple respondents in favour of the project expressed a desire for effective communication to prevent “unwarranted backlash to the equity ideals”. Those that were opposed to the idea expressed a fear that the initiative would take jobs from qualified people and would substantially increase the cost of the projects. There were a number of accusations of “reverse discrimination” and some that thought the targeted population was only based on racial identity.

Consultation with stakeholders echoed the need for clear communication. Some shared that there is a perception from contractors that they will not be competitive because they are not diverse to start with. There is also a perception that CBAs will exclude small and/or local businesses from the ability to bid for tenders.

3. Conclusion/ Next Steps

In accordance with the consultation feedback and as per the guidance of the Ad Hoc Community Benefits Procurement Committee, Regional staff will prepare a recommendations report for the pilot. Staff will present the report to the Ad Hoc Community Benefits Procurement Committee on March 30, 2022.

4. Attachments / Links

Attachment A: Consultation Participants & Public Input Session Delegations
Attachment A

Consultation Participants & Public Input Session Delegations

Jan 31, 2022

Patrick McManus, Ontario Sewer and Water Main Construction Association
David Ersman, Conestoga Heavy Construction Association
Martha George, Grand Valley Construction Association

February 3, 2022

Ian DeWaard, Christian Labour Association of Canada
Charlene Hofbauer, Workforce Planning Board of Waterloo Wellington Dufferin
Karen Renkema, Progressive Contractors Association
Jamie Sobotka, Cambridge Career Connections
Ken Harvey, County of Wellington-Ontario Works
Sally Michener Potts, CMHA Waterloo Wellington - Employment Services
Karll Garner, John Howard Society

February 4, 2022

Jeff Willsie, Conestoga College, Chair of Trades and Apprenticeships
Suzanne Moyer - Conestoga College, Dean of Trades and Apprenticeships
Joni Jean, Conestoga College, Schools of Engineering & Technology and Trades & Apprenticeship

February 9, 2022 – Public Input Meeting

Karen Renkema, Progressive Contractors
Scott Taylor, McLean Taylor/Stone Town Construction
Patrick McManus, Ontario Sewer & Watermain Construction Association
Ian DeWaard, Christian Labour Association of Canada
Lionel Railton, Canadian Region, International Union of Operating Engineers
Marc Arsenault, Building and Construction Trades Council of Ontario
Rosemary Powell, Toronto Community Benefits Network
Sean Campbell
Suzanne Moyer & Tony Thoma, Conestoga College

February 28, 2022

Ian McLean, Greater Kitchener Waterloo Chamber of Commerce
Greg Durocher, Cambridge Chamber of Commerce