

**Date:** 2024-01-17

**Subject:** **Community Benefits Policy**

**Contact:** **Claudia Santeramo,  
Manager, Procurement Performance, Purchasing**

**Report Number:** CAO's Office-2024-070

**Recommendations:**

1. That the report titled: Community Benefits Policy, to the Committee of Council Meeting of January 31, 2024, be received;
2. That the Community Benefits Policy, as set out in Appendix A, be approved; and
3. That staff be authorized to implement and administer the policy

**Overview:**

- **Council directed staff to conduct an environmental scan and study the advantages and disadvantages of a Fair Wage Policy and Community Benefits Policy and report back with Brampton-focused recommendations.**
- **Through a competitive procurement process, staff engaged Prism Economics & Analysis Inc. to conduct a feasibility study for the implementation of a Fair Wage Policy and Community Benefits Policy for Brampton and draft a Sustainable Procurement Strategy based on the Sustainable Procurement Framework endorsed by Council.**
- **August 10, 2022 Council directed staff to develop a Community Benefits Policy for construction work tendered by the City.**

- **Prism Economics & Analysis Inc. was also retained to conduct a stakeholder engagement and develop the policy.**
- **This report seeks Council approval of the Community Benefits Policy as set out in Appendix A to apply to construction contracts with a value of \$5,000,000 and greater.**
- **There are no financial implications as a result of the recommendations in this report.**

### **Background:**

On October 16, 2019, Council directed staff to conduct an environmental scan and study the advantages and disadvantages of a Fair Wage Policy and a Community Benefits framework to include training and apprenticeship opportunities within RFPs for infrastructure projects with Brampton-focused recommendations.

On May 13, 2020, Council endorsed the Sustainable Procurement Framework and directed staff to draft a Sustainable Procurement Strategy based on the framework for Council consideration. Council also directed staff to proceed with a feasibility assessment of implementing a Brampton-focused Fair Wage Policy and Community Benefits Policy in procurement at the City; and that external expertise be engaged to conduct an analysis and develop options for Council consideration.

As a result of a competitive procurement process, Prism Economics & Analysis Inc. (“Prism”) was retained to conduct a feasibility assessment for a Fair Wage Policy and Community Benefits Policy in Brampton. Prism was engaged to conduct stakeholder interviews, complete a high-level analysis and develop options for consideration on the adoption of a Fair Wage Policy and Community Benefits Policy. Stakeholder consultations included union organizations, employer associations, community organizations, municipalities and agencies with a fair wage and/or community benefits policy, and senior City staff.

On January 17, 2022, a Council Workshop was conducted to share the findings from the stakeholder consultations and the environmental scan with an outline of options, along with advantages and disadvantages.

On August 10, 2022, Council endorsed the Sustainable Procurement Strategy and directed staff to develop a Community Benefits Policy for construction work tendered by the City. The Community Benefits Policy aligns with and implements the City's Sustainable Procurement Strategy. Prism was engaged to obtain feedback from the internal working committee and external stakeholders to assist in the development of the policy. The working committee consisted of staff members from Capital Works, Roads, Maintenance, Operations & Fleet, Human Resources, Building Design & Construction, and Legal. External stakeholders included union organizations and employer associations.

**Current Situation:**

Embedding Community Benefits in City contracts leverages purchasing power and processes to advance positive economic, workforce and social development outcomes, in addition to the delivery of efficient goods and services. It can be used to support the City's goal of increasing opportunities for the training and employment of unemployed or underemployed residents by strategically changing the way the City procures its goods and services. This approach integrates career exploration, industry-driven education and training and employment facilitated by collaboration between employers, training and education institutions, government and communities.

A Community Benefits Policy would implement the social objectives of the Sustainable Procurement Strategy that the City adopted in May of 2020.

In the context of construction procurement, a Community Benefits Policy refers to policies which encourage vendors to increase their outreach for hiring, training and apprenticeship opportunities to residents of Brampton and, in particular, to residents from groups which are historically under-represented in the construction industry and its training systems. The Community Benefits Policy also contributes to the City of Brampton's goal of advancing reconciliation with Canada's Indigenous Persons.

The Community Benefits Policy will apply to designated construction projects, including optional renewals, with a procurement value of \$5,000,000 or greater.

The following are the types of construction projects that may be designated:

- 1) The construction or renovation of buildings, including their electrical, plumbing, heating, and cooling systems;
- 2) The construction or repair of roads, sidewalks, bridges, and related structures;
- 3) The construction or repair of sewers and watermains and other utility installations;
- 4) The construction of transit stops and transit rights-of-way; and,
- 5) The construction of new parks.

When a project is designated as a Community Benefits Project, prospective vendors responding to the Request for Tender or Request for Proposal must include a valid proposed Community Benefits Plan. A valid proposed Plan must:

- Describe the planned outreach activities to Brampton residents and/or to Indigenous Persons;
- Estimate the number of Brampton residents and/or Indigenous Persons that will be recruited into training or employment opportunities through the outreach activities;
- Describe the training or employment opportunities that will be offered;
- Obtain signed waiver allowing the City to follow up with recruited persons;
- Describe any collaborations with unions or community programs; and
- Describe how success will be documented.

The Community Benefits Plans are not awarded points. They are deemed to be valid based on their conformity with Schedule 1 Guidelines for Preparing a Community Benefits Plan to the Community Benefits Policy that specify what elements a Plan must address.

The accepted Plan will become part of the vendor's contract with the City. The successful vendor will demonstrate best efforts to fulfill the Plan.

Vendors have complete flexibility to determine how they will conduct outreach, what training they will offer and what types of employment. Employment offers need not be tied to the City's project being bid. Vendors are credited with outreach and training activities undertaken by a union with whom they have a collective agreement.

The \$5 million threshold is applied because only larger construction projects and the vendors that undertake these projects have the flexibility and resources to implement a Community Benefits Plan. Based on the analysis of City construction contracts between 2017 to 2020, this threshold represents 44.2% of the total value of awarded construction projects. Therefore, the \$5 million threshold ensures that the proposed Community Benefits Policy will be applied to large construction projects while allowing the City's administrative resources in evaluating and monitoring Community Benefits Plans be used efficiently. This threshold will also ensure that smaller construction vendors, that often have limited resources, are not burdened by the requirement to develop a Community Benefits Plan.

No cost implications are anticipated, although following three years of implementation experience, this Policy will be reviewed by the Community Benefits Committee. The Committee will invite stakeholder input and will also consider whether it may be appropriate to institute targets under the Policy and to expand the scope of application of the Policy.

Following approval from Council of the Community Benefits Policy, it is expected that the policy will take effect in Q3, 2024.

### **Corporate Implications:**

#### **Financial Impact**

There are no financial implications as a result of the recommendations in this report.

### **Strategic Focus Area:**

#### Government & Leadership:

This report aligns, supports and/or furthers the strategic focus area "Government & Leadership", demonstrating value for money of City Programs and services through open, fair and transparent procurement processes.

**Conclusion:**

Procurement can be used to achieve strategic social, economic and environmental goals through a Sustainable Procurement Strategy. This report seeks Council approval of the Community Benefits Policy for the City of Brampton as set out in Appendix A.

Authored By:

Reviewed and Recommended By:

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Approved and Submitted By:

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Marlon Kallideen  
Chief Administrative Officer

**Attachments:**

Appendix A: Community Benefits Policy