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Chair, Standing Committee on Finance and Economic Affairs  
Room 1405, Whitney Block  
Queen's Park, Toronto, ON M7A 1A2  
c/o Julia Douglas, Clerk

**Submission to the Standing Committee on Finance and Economic Affairs**

**Impacts of COVID-19 on the Infrastructure Sector and Recommendations to Build Back Better**

**August 11, 2020**

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## Impact of COVID-19 crisis on infrastructure in Ontario

In the early days of COVID-19, like nonprofits and social enterprises, construction companies and building trades had to shut down their operations. Among the major concerns for these sectors was constructor insolvency, financial difficulty, and employment losses.<sup>1</sup> These issues were further magnified by the vulnerability of supply chains, the financial pressures that cities faced, along with a weakening social infrastructure.<sup>2</sup>

Despite the shock that COVID-19 has created for communities and sectors across the province, future infrastructure investments present an opportunity to build back better in more strategic and inclusive ways. In a report commissioned by the Residential and Civil Construction Alliance of Ontario (RCCAO) “investing in new infrastructure should not be seen as a reflex stimulus response but rather a consistent, ongoing journey along a path to ensuring conditions are in place for long-term economic recovery and growth.”<sup>3</sup> As the government takes steps to accelerate infrastructure projects across the province, it is vital that these projects create benefits over time and that gaps in infrastructure investments are addressed and considered carefully.<sup>4</sup>

It will be critical that any infrastructure investments and decisions are made through a community value lens.<sup>5</sup> Any future infrastructure projects have to recognize the ripples and multiplier effects they create. Infrastructure decisions have an economic, social and environmental impact. Therefore, the government should focus on making investments that create the greatest social, economic and environmental value for our local communities and for Ontarians as a whole.

Government spending should be about the short and long term benefits created, not only the amount of dollars spent. We are at a crucial juncture, where the Ontario government has an opportunity to ensure that communities are supported and can thrive as the province considers its next steps towards recovery.

### Summary of Recommendations:

1. **Building back better and stronger:** Implement Community Benefit Agreements on construction and infrastructure projects to create opportunities for communities across Ontario to build back better and stronger with increased local employment opportunities, community economic development and stronger social infrastructure.
2. **Leveling the playing field:** Provide the nonprofit social enterprise sectors support that is equivalent to other sectors, and provides immediate access to existing programs and

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<sup>1</sup> See [Canadian Lawyer Magazine: COVID-19 expected to have significant impact on construction industry](#), [Ontario Construction News: COVID-19 shocks Canadian construction industry](#)

<sup>2</sup> See [Association of Municipalities of Ontario: Appeal for Immediate Federal-Provincial Financial Assistance for Municipalities](#), [Toronto Star: COVID-19 crisis provides chance to re-examine provincial funding of cities](#).

<sup>3</sup> See [The Residential and Civil Construction Alliance of Ontario: Navigating the COVID-19 Socio-Economic Shock](#)

<sup>4</sup> See [Government of Ontario: Canada and Ontario Invest in roads and bridges, connecting rural communities](#).

<sup>5</sup> Leveraging social procurement creates community value, in which economic value is just one component. Community value includes human capital, social capital, cultural capital, and physical capital.

investment opportunities already in place that serve the for-profit sector's entrepreneurs and businesses.

**3. Leveraging government buying power for impact:** In regulations under the new Supply Chain Management Act, expand social procurement policy, strategies and outcomes across all government purchasing of goods and services, construction projects and infrastructure investments to be inclusive of nonprofit social enterprise suppliers.

## **Further Information:**

### **1. Building back better and stronger by implementing community benefits agreements**

The government has an opportunity of a generation to build a made-in-Ontario infrastructure plan that responds to the needs of and directly supports communities as the province begins to consider post COVID-19 recovery.

A community benefits policy or agreement (CBA) is about the smart use of planned infrastructure investments that give the greatest possible collective benefits to communities across Ontario. It's about our public dollars supporting multiple policy objectives at the same time as generating benefits for communities.<sup>6</sup>

From Windsor Essex County to Ottawa to Kenora, communities from all across the province want to ensure that local benefits are provided to their communities as a part of infrastructure projects.<sup>7</sup> The province would not be starting from scratch, there are successful examples across the world and in Canada that one can learn from, as well as examples here in Ontario: 1) Woodbine Casino Expansion; 2) Metrolinx Eglinton Crosstown; 3) Gordie Howe Bridge.<sup>8</sup> In each of these opportunities, through CBAs, communities have been able to obtain childcare, local workforce hiring and apprenticeships, and garner support for local business, and nonprofit social enterprises.

To ensure that we continue to protect what matters the most to people for future generations, the government must ensure that the people – local residents; Black, Indigenous, and peoples of colour; women; persons with disabilities; veterans; youth and newcomers that *are* these communities – are a part of the infrastructure development process for future generations.<sup>9</sup> It will be imperative that the government implement CBAs and use a community value lens to create local workforce and business opportunities for these communities. Commitment to infrastructure, employment, and improved outcomes for diverse communities must go hand in hand to drive local job creation and to support rural, remote, and urban self-reliance.

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<sup>6</sup> For example, transit and highway projects, cultural attractions, hospitals, housing developments, and other capital projects – all of these have the potential to create high-quality jobs, training opportunities, community amenities, social enterprise opportunities, and environmental benefits.

<sup>7</sup> See [Windsor/Essex Community Benefit Coalition](#) and [LeBreton Flats Community Benefits Coalition](#)

<sup>8</sup> See [Toronto Community Benefits Network: Inclusive Recovery](#); See [Ontario Nonprofit Network: Community benefits policy must be at the core of Ontario's infrastructure investment strategy](#)

<sup>9</sup> See [Ministry of Infrastructure](#)

The opportunity is now for a strong made-in-Ontario infrastructure plan that effectively leverages CBAs to ensure communities build back better and stronger beyond the recovery.

## **2. Level the playing field by providing supports for nonprofit social enterprises**

It is critical then that nonprofit social enterprises are supported with investment opportunities comparable to the private sector to enable them to fully participate and seize opportunities as subcontractors or suppliers in future infrastructure projects while supporting those they serve in their communities.

Nonprofit social enterprises are businesses operated to create social, environmental, or cultural value. Nonprofit social enterprises provide avenues for entrepreneurs to innovate, while creating jobs for people facing barriers, and adding value to local economies by reinvesting any surplus revenues back into enterprise development and mission-oriented work. They are community governed, transparent, and focused on creating community value. Nonprofit social enterprises are examples of how market-based solutions can (and should) be guided by community values. Together, they set a high standard for the rest of the business community.

Social enterprises are found across every sector and create value in multiple ways. As examples: Building Up in Toronto, Toronto Community Benefits Network brings youth at risk and women into the construction trades, and everywhere from art centres, cultural institutions, catering, cleaners, thrift stores, and more.

## **3. Leveraging government buying power for impact to be inclusive of nonprofit social enterprises**

To leverage greater economic and social benefits out of infrastructure investments, we encourage the government to update regulations under the new Supply Chain Management Act to include a social procurement policy. This will help ensure that the centralization of the supply chain encourages diversification and value for the government, growth of small businesses and local economies and, especially, nonprofit social enterprises that create good jobs for people struggling in the labour market.

In Sunderland, United Kingdom a local regeneration project worth an estimated £75 million “have pumped £12.4 million (21.6 million CAD) into Sunderland’s economy” and this was done through commitments to sourcing locally and ensuring that the “local pound” was protected.<sup>10</sup> This ultimately allowed them to reinvest 16.5 per cent of the total project dollars spent back into the local economy, by procuring from local suppliers.

It will be critical that procurement policy, strategies and outcomes across all government purchasing of goods and services, construction projects and infrastructure investments be inclusive of nonprofit social enterprise suppliers.

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<sup>10</sup> See [NE Times Magazine: Add £12.4 million to Local Economy](#)

## Conclusion

Infrastructure investments “bring long-term value to Ontario by expanding the foundation upon which economic activity can take place” if a community lens is applied to ensure that community benefits, not the dollar amount spent, remains top of mind.<sup>11</sup> If the goal is to ensure that communities across the province build back better, then any future decisions on infrastructure have to invest in those outcomes. Going forward, the government has an opportunity to focus on leveraging infrastructure investments that can support a stronger, more inclusive recovery.

We look forward to working with you on these important issues and are available to discuss our submission at your convenience. Thank you for your consideration.

Sincerely,



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David LePage  
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Buy Social Canada

Supporting Organizations:



Toronto Community  
Benefits Network

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<sup>11</sup> See [Association of Municipalities of Ontario: Appeal for Immediate Federal-Provincial Financial Assistance for Municipalities](#)