

Community Wealth Building Wednesdays

Exploring Community Wealth Building Through Social Procurement in Ontario

The logo for Buy Social Canada is a white circle containing the text "buy social" in a bold, sans-serif font, with a small green leaf icon above the word "social". Below "buy social" is the word "CANADA" in a smaller, all-caps, sans-serif font.

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PART 3

Building the Demand Side through

Construction Projects

This five-part knowledge series explores how a strong social procurement ecosystem builds community wealth in Ontario. The series will examine the entire ecosystem – the role of social enterprises as suppliers, the part played by social value purchasers on the demand side, and how community is defining and driving social value outcomes.

Each week, with the help of our panelists, we will explore one critical piece of this eco-system through an engaged virtual dialogue model.

In the third week of our five-part series we explore social procurement through the lens of construction projects, a key demand side component of the emerging social procurement ecosystem in Ontario.

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This series is brought to you by Buy Social Canada in partnership with the Ontario Non-profit Network, Canadian CED Network, Ontario Trillium Foundation and AnchorTO.

Community Wealth Building & Community Capital

In cities and rural communities across the province, many Ontarians are faced with income inequality, equity challenges and social exclusion. With the onset and recovery from COVID 19 the current market-based threats will only worsen unless we can create an economic system that builds wealth and prosperity for everyone.¹

Community wealth building strategies seek to empower communities by leveraging local resources to generate wealth equality. It does so through seven essential wealth building drivers; place, ownership, multipliers, collaboration, inclusion, ecosystems, and workforce development.² Each of these drivers offer a powerful contrast to the traditional economic practices. The webinar series will explore the relationships of the social procurement ecosystem and its different components to build community wealth.

Another way of framing community wealth is to build community capital. Community capital is the foundation of healthy communities and consists of five kinds of capital: cultural, physical, human, economic and social. One way to create community capital, and the focus of our ecosystem journey, is through social procurement.

Social procurement happens when purchasers use their buying power to create social value above and beyond the value of the goods or services being bought or through construction and infrastructure projects. Construction is more than structure; it becomes a means to build community capital and wealth

Social Procurement

Social procurement leverages a social value from existing procurement and provides the capacity to transform procurement from the traditional model of merely an economic transaction between buyer and seller, to a means for social transformation in communities. Social procurement, depending on the purchaser's goals, can include employment opportunities, including for persons facing barriers; training and apprenticeships; supply chain inclusion for social enterprises and social value suppliers, and local economic development.³

¹ [Keane Bhatt, Educate and Empower-Tools for Building Community Wealth \(2015\)](#)

² [Marjorie Kelly, Cities Building Community Wealth \(2015\)](#)

³ [Buy Social Canada, Social Procurement in 2021: Unprecedented Potential for a Paradigm Shift \(2021\)](#)

Social procurement ecosystem

Ultimately, social procurement is a means to contribute to building community wealth and the creation of healthy and vibrant urban and rural communities.

The social procurement ecosystem is the specific marketplace in which the demand side and the supply side of social procurement interact. The supply side comprises of those supplying the goods and services within the marketplace, social enterprises and social value suppliers, and the demand side comprises of purchasers who are demanding those goods and services, such as governments, contractors, large corporates, and individual consumers. Like any ecosystem, it is made up of several highly interconnected elements. Each of these elements will be explored throughout the duration of this webinar series. The stronger the ecosystem, and the more integrated the elements, the greater the impact of our purchase, and the greater the community wealth and community capital created.

A Community Benefit Agreement (CBA) is an agreement between the community, the construction developer or owner, and government. Community benefits can include employment, skills and training, social value in the supply chain and community development.

CBAs leverage development and construction projects to achieve a broad range of community outcomes beyond just the standard scope of cost, quality, and time. CBAs contain pre-determined and defined social value outcomes that will be delivered as part of an infrastructure or land development project like building a bridge, a road, school, hospital, office tower, or transit system. These social value outcomes are agreed upon, prior to the project initiating, between the community, government, and developer. Community Benefit Agreements in infrastructure projects inevitably aim to maximize community impact and community value for residents.

Community Benefit Agreements

The annual spend in the construction industry is approximately \$140 billion dollars and there are over one million construction workers across Canada.⁴ The federal government infrastructure budget is \$180 billion over the next ten years, and with COVID-19 recovery, this figure is expected to grow.⁵

Role of Construction Sector in Social Procurement

Provincial and federal governments are realizing the potential impact that every taxpayer dollar invested in public infrastructure projects could have by intentionally leveraging community benefits to create good jobs, build more equitable and inclusive communities, and tackle pressing environmental issues.

Recently, the federal government announced that \$12 billion of funding for transit projects in the Greater Toronto Area (GTA) will be dependant on satisfying conditions that benefit communities where the projects take place. The stated outcomes include Community Benefit Agreements that create employment opportunities for underrepresented communities including Black, Indigenous and people of colour, and women.⁶ Community capital and community wealth is created by leveraging a social value from procurement dollars already within existing government budgets.

Private construction companies working on public or privately funded projects, can create opprtunities for social value by adding a social value lens to their sub-contracting and supply chains. Construction companies help create social value outcomes when choosing to work with local businesses, diverse-owned businesses, social enterprises, and other social value suppliers.

Private construction companies create a demand for social enterprises and social value suppliers by imbedding social procurement within their project sub-contracts. Construction social enterprises, part of the supply side of the construction social procurement ecosystem, provide public and private sector projects with on-site labour and other services resulting in job placement, targeted apprenticeships and training for individuals facing barriers to employment.

Through construction projects, the following organizations in Ontario are leading the change by using social procurement and Community Benefit Agreements as tools to create community wealth and community capital.

⁴ [Canada: Gross Domestic Product \(GDP\) by industry December 2020, Statista](#)

⁵ [Investing in Canada Plan – Building a Better Canada, December 2020, Infrastructure Canada](#)

⁶ [Infrastructure Canada News Release, May 11, 2020](#)

Constructing community



Photo: Chandos Construction

Chandos Construction is a Canadian construction company that was launched in 1980 with an aim to use construction to make a positive impact in the world. Chandos is 100% employee owned and is one of the first and largest B Corp Certified commercial builders in North America. Over the last decade, Chandos has been instrumental in building the growing demand for social procurement within the construction sector. They have demonstrated this by embedding social procurement and social value outcomes into their supply chain for public as well as privately funded projects, which is why, by 2025, Chandos has made a Buy Social Pledge that at least 5 percent of their addressable spend will shift to social impact

businesses including social enterprises, fellow B-Corp Certified companies, and other diverse-owned businesses.

Chandos believes that empowering a more diverse supply chain and supporting people from equity-seeking groups isn't just good for society, it's also good for business. Through their social procurement initiatives, Chandos has been able to provide employment opportunities, offer skills training and provide fair wages to underrepresented groups, and has helped local business to grow. Chandos has been working with social enterprises like Embers in Vancouver, Women Building Futures in Edmonton, and Building Up in Toronto. Chandos believes that by working closely with these social enterprises, you can leave a lasting impact on the economy, the environment, and create social value for communities.

“Our biggest success has been in customizing our work packages to meet the capacity of social enterprises. In order for social enterprises to effectively bid for, and win, construction contracts, you must unbundle larger contracts and make sure that your work packages are well suited for the capacity which currently exists within the social enterprise ecosystem.”

– Tim Coldwell, Chandos Construction

Building Up is a construction social enterprise that runs intensive pre-apprenticeship trades training programs for individuals who face barriers to employment. The social enterprise is modelled on BUILD Inc., from Winnipeg, Manitoba, and was established in 2015 in Toronto's west end. Building Up trains and employs people with foundational construction skills and provides experience through their own business operations. The profits generated by this work fund their social mission and 90% of Building Up graduates have moved into apprenticeships and/or full-time employment as an outcome of participating in their training programs.⁷

Building Up provides opportunities for construction clients to improve the livability of their spaces while providing employment and skills development opportunities to community members. Some of the work they do includes installing water efficiency retrofits, providing general labour services, and providing renovation and apartment turnover services such

as painting and flooring. In their first three years of operations, their revenue grew at a rate of close to 100% a year. In 2019 their annual budget was \$4 million, 70% of which was revenue generated through their business operations.⁸ Building Up focuses on achieving several outcomes through what it calls social contracting: they want to succeed as a viable and sustainable business but also help in diversifying supply chains while improving the surrounding community.

"Building Up aims to fill the gap in the market between community members that need work and construction projects that need workers. We are a social enterprise that fulfills a market need within the construction sector whilst also creating positive community impact and outcomes" - Marc Soberano, Building Up

Skills and training



Photo: Building Up

⁷ [Building Up Official Website](#)

⁸ [When Training Works: Promising workforce development practices, September 2020](#)

Toronto Community Benefits Network (TCBN) is a regional initiative that aims to provide Toronto residents with equitable opportunities and to ensure that Toronto's construction projects provide jobs to immigrants, refugees, women, and groups underrepresented in the sector. Most recently, TCBN successfully advocated for the City of Toronto to adopt a new community benefits framework to ensure equitable hiring practices on all city construction projects.⁹ TCBN believes in imbedding community benefits within large development and construction projects, with community benefits and social procurement targets being a part of policy across all levels of government. TCBN is a community-labour network with a support base of workforce development groups, community partners, government and labour organizations. TCBN also provides programs in training, education, and mentorship. They work to ensure that whenever a new infrastructure is being built, the impacted community has a voice at the table and can contribute meaningfully towards the project's vision. Recently, TCBN has been instrumental in the creation of the Regent Park Community Benefits Coalition, supporting local associations and community groups and organizations to secure a legally binding agreement with Toronto Community Housing (TCH) and the selected developer that commits to both short and long term community benefits in Regent Park. After weeks of negotiations, a Community Benefits Framework Agreement for the next phase of the Regent Park revitalization has now been signed. This agreement will ensure that local workforce opportunities are created for Regent Park residents and businesses.

Social value outcomes are being created by the construction sector throughout Ontario. Private sector construction companies such as Chandos, construction social enterprises such as Building Up, and community advocacy groups such as TCBN create community capital and community wealth. Employment as well as training and apprenticeship opportunities are being created for individuals who would otherwise face barriers in entering the construction labour market. Social procurement initiatives and Community Benefit Agreements in construction projects create opportunities for local subcontractors and suppliers, particularly for social enterprises and social value businesses. Embedding social procurement goals within construction and infrastructure projects, contributes to strengthening the demand side of the social procurement ecosystem.

Working collaboratively, the social value demand and social enterprise supply side of construction create community capital and community wealth by intentionally leveraging their economic, social, and environmental multiplier and ripple effects.

⁹ [WES Insights, April, 2021](#)