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# **Standing Committee on Transport, Infrastructure and Communities**

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**EVIDENCE**

**Tuesday, November 1, 2016**

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**Chair**

**The Honourable Judy A. Sgro**



## Standing Committee on Transport, Infrastructure and Communities

Tuesday, November 1, 2016

•(0850)

[English]

**The Chair (Hon. Judy A. Sgro (Humber River—Black Creek, Lib.)):** I call to order the meeting of the Standing Committee on Transport, Infrastructure and Communities. This is the 42nd Parliament.

Pursuant to the order of reference of Wednesday, October 5, 2016, Bill C-227, an act to amend the Department of Public Works and Government Services Act (community benefit), is before us, as referred by the House.

We will now turn it over to Ahmed Hussien, if you could please brief us on the bill.

**Mr. Ahmed Hussien (York South—Weston, Lib.):** Thank you, Madam Chair, and members of the committee.

It's quite an honour to be here in front of you to present my private member's bill, Bill C-227, an act to amend the Department of Public Works and Government Services Act (community benefit).

Community benefits are defined as the social or economic benefits that a particular community obtains from a federal infrastructure project above and beyond the project.

Now that I've defined that, the next step I'd like to take is to address some of the myths that have emerged regarding this bill.

It is a myth that my bill will increase red tape, and that this will be borne by small and medium-sized enterprises. Bill C-227 speeds up the approval process. Once the community is engaged, and it can identify the benefits emanating from an infrastructure project, then they are more likely to get behind the project, thus speeding up the approval process.

It is also a myth that business groups and organizations are opposed to Bill C-227. The Toronto board of trade, the Vancouver board of trade, and the Montreal area board of trade have all identified and endorsed community benefit agreements as good economic policy and as a great way to tackle youth unemployment, as well as to include marginalized groups that are not included in the construction industry.

It is also a myth that there was no adequate consultations regarding Bill C-227.

I consulted extensively across Canada. The groups and stakeholders I talked to include, but are not limited to, the United Way, the Toronto Community Benefits Network, the Atkinson Foundation, the Mowat Centre, Canada's Building Trades Unions, Hassan

Yussuff and the Canadian Labour Congress, the Carpenters Union, the Province of Ontario, the City of Vancouver, the British Columbia, Alberta, and Manitoba building trades, and many others.

The Mowat Centre and the Atkinson Foundation have jointly published numerous studies that stress the importance of community benefit agreements.

I've also consulted other levels of government in many provinces across Canada. Having said that, the consultation process is ongoing, and I have already planned many meetings to continue to consult widely on Bill C-227.

It is also a myth that this bill will make it an obligation on provinces to include community benefit agreements in their infrastructure plans. This bill only applies to federal construction and repair projects. Furthermore, Ontario has already enshrined community benefits in their provincial legislation, namely with Bill C-6, and other provinces have had community benefit projects on an ad hoc basis without a legislative framework.

It is also a myth that this bill will introduce delays in the approval process for new development. This will just be another box on the form that asks, "Will this project have community benefits, and what will they be?"

Now I will give you some case studies. According to a joint report from the Mowat Centre and the Atkinson Foundation, the Government of Canada, the Province of Ontario, and the City of Toronto, for example, together have spent over \$23.5 billion per year procuring goods and services, including construction.

Just imagine, ladies and gentlemen, how communities would thrive if even a portion of that had community benefit agreements tied to it. We could deliver more training, apprenticeships, and local jobs. Local businesses would thrive.

Community benefit agreements have been used for years in the United States and in the United Kingdom. There are great examples in our own country that highlight the benefit of community benefit agreements.

In Canada, there is the 2010 Olympic winter games' Southeast False Creek Olympic village. This community benefit agreement was formed to create opportunities for local low-income residents and businesses over the inner city in the areas of training and acquisition of goods and services.

In the Waneta expansion project, the Columbia Power Corporation signed a community benefit agreement with the Ktunaxa Nation Council for this project in B.C., which includes provisions for assistance to the community in small hydro development.

In my own riding of York South–Weston, and in many ridings across the city of Toronto, the Eglinton crosstown LRT project has a community benefit agreement to provide benefits to disadvantaged communities through equitable hiring practices, training, apprenticeships, and local supplier and social procurement opportunities, where possible.

Other provinces, such as Nova Scotia, Quebec, and Manitoba, are either exploring or have already moved towards implementation of a form of community benefit agreements.

In the United States, Los Angeles was one of the first successful pioneers of incorporating community benefit agreements. Since 2001, organizations in this city have negotiated several community benefit agreements, which range from living wage requirements to investments in parks and recreation.

In the United Kingdom, in 2012 they enacted the Public Services (Social Value) Act to promote social benefits through public sector procurement. According to the act, a commissioning authority must consider how the purchase “might improve the economic, social and environmental well-being of the relevant area”, where everyone can get a slice of the development pie.

Madam Chair, this bill is modelled on existing legislation of the Province of Ontario, namely Bill 6. The beauty of this, though, is that through our consultations, we were able to see what is working and what is not working with this Ontario piece of legislation.

Bill C-227 addresses the concern regarding implementation and measurement of outcomes, in two ways. First, it empowers the Minister of Public Works and Government Services to require bidders on government-funded projects to explain the community benefits that the project will provide and deliver an assessment as to whether that project has indeed provided the community benefits. It also requires the minister to report back to Parliament every year on what community benefits have been delivered. Community benefit agreements are also in line with the government's priorities and mandate items, such as procurement modernization and promotion of social infrastructure.

I'm asking my colleagues on this committee for their support of my private member's bill, Bill C-227. Help me to enable communities across Canada to benefit from federally funded infrastructure projects.

I was elected to Parliament to represent my riding, and my role is to ensure that I propose and push for legislation that will benefit my constituents. Bill C-227 does exactly that, by dramatically increasing the local economic impact of federally funded infrastructure projects.

Colleagues, let us move forward on this initiative that will not only benefit my riding, your constituents, but communities all across the country. Thank you.

• (0855)

**The Chair:** Thank you very much, Mr. Hussen.

We will now turn over to Mr. Rayes.

[*Translation*]

**Mr. Alain Rayes (Richmond—Arthabaska, CPC):** Thank you, Madam Chair.

Good morning, Mr. Hussen.

Thank you for your presentation. I apologize for being late. I missed the first few minutes.

I have a few questions about Bill C-227, which I would first like to begin by noting is full of good intentions.

I'd like to know why you think a bill like this is likely to have local benefits in the various municipalities and communities across Canada.

[*English*]

**Mr. Ahmed Hussen:** The reason I feel that some projects will have a community benefit component would be the sheer size, and value and money that would go into these projects. I feel very strongly that we should explore and take advantage of opportunities in which we can dramatically increase the local economic impact of certain federally funded infrastructure repair and building projects. If we can extend and stretch the impact of that taxpayer dollar that we are already spending on a project to benefit the community further, we should certainly do that.

Other provinces have done that, municipalities have done that, even the private sector has done that. It's time for us in the federal realm to do this. The model is out there. It has been done successfully. We should definitely do this. It's the right thing to do. It doesn't cost an extra amount of money. It brings community buy-in, because the community sees benefits that they obtain above and beyond the project itself. It's the right thing to do, and we should do it.

[*Translation*]

**Mr. Alain Rayes:** Before I became a federal MP, I was the mayor of a municipality with a population of 45,000. While I was reading this bill, I was sincerely trying to see what a bill like this would have changed in the day-to-day of my municipality. It is important to keep in mind that we were already entitled to provincial programs and federal grants.

Generally speaking, when applying to various subsidy programs, all these issues have already been discussed. We must immediately demonstrate that there will be a benefit for the community, otherwise the money will simply not come from the various levels of government. We must meet the standards and comply with the criteria set by the various governments.

I sincerely wonder what more this will bring. Can you give me an example of what you currently cannot do and what this program will enable you to do? I really feel that this is something that is already in the system.

[English]

**Mr. Ahmed Hussen:** The fact of the matter is that when you are talking about the federal realm, there is no legislative framework that allows the Minister of Public Works and Government Services to embed a community benefits requirement in a contract for a building and repair project. It's just not there. This bill enshrines a community benefits approach in the federal system. That's what this bill is doing. It is also about accountability, making sure that when the minister chooses to use this tool, we also have an assessment of how effective that requirement was, and the reporting back to Parliament.

• (0900)

[Translation]

**Mr. Alain Rayes:** It may sound redundant, but when I was mayor, I made grant applications in collaboration with the municipal government. Of course, as soon as something is realized, there is an economic benefit for the community, be it for community work, an arena, or a cultural centre. I think it is clear that, from the moment a program is put in place by the federal government, the goal is to have economic, social, community, cultural, sport and other benefits.

I'm repeating myself. Could you give me a concrete example that demonstrates that we are not able to show economic benefits and where the minister—whether it's a Conservative or Liberal government, that isn't the issue—is not sure who is ensuring that we should add a structure that, to make it happen, would require more time and more work for developers, the municipalities and the communities.

Could you give me one or two examples of this, that justify why you thought about this bill?

I would like to repeat that I think the intent of this bill is noble. We cannot oppose virtue. However, I'd like to know what this will change and if anyone was bullied in the past about this willingness to change and implement this legislation.

[English]

**Mr. Ahmed Hussen:** There are a couple of things. First of all, you spoke about examples. You can have an example in which you have a federally funded infrastructure and repair project. In the current landscape, there is no legislative framework. There is no tool in the federal box to enable the minister to demand from a contractor a demonstration of community benefits. Let me finish. You asked me a number of questions, so—

[Translation]

**Mr. Alain Rayes:** I understand that.

[English]

**Mr. Ahmed Hussen:** No, no, I have the right to my time. I'm going to finish. Secondly—

[Translation]

**Mr. Alain Rayes:** I think it is my priority as member to ask the question if I don't have the answer.

[English]

**The Chair:** Your time is up, but I am going to stretch it and ask our guest to respond.

Yes, go ahead.

**Mr. Ahmed Hussen:** I'm just going to respond. Secondly, this is about accountability. It's about allowing the federal government to catch up to provinces and municipalities that are already doing this. It's also about making sure that we enshrine this in federal law so that, as we move forward on federal projects, we maximize the local economic impact by identifying these community benefits and making sure that we deliver on them.

**The Chair:** Okay.

Mr. Badawey, go ahead.

**Mr. Vance Badawey (Niagara Centre, Lib.):** Thank you, Madam Chair.

Before I go into my questions, I think there is a bit of confusion here with respect to some of the questions the member is asking.

I would ask the parliamentary secretary to just comment for a couple of seconds on some of the confusion.

**The Chair:** You'll be using some of your time.

**Mr. Vance Badawey:** Yes, that's fine.

**Mr. Pablo Rodriguez (Honoré-Mercier, Lib.):** I'm just going to use 30 seconds.

[Translation]

Mr. Rayes, as a point of information, I think there is a misunderstanding here because this is strictly about federal infrastructures. It does not affect Infrastructure Canada or its relationship with the cities, municipalities and provincial governments. This is about federal infrastructures. That is why the witnesses here today are all connected to that. It's also why it affects the Department of Public Works and Government Services Act and not Infrastructure Canada.

That's just a clarification on that point.

[English]

Thank you.

**The Chair:** Thank you, Mr. Rodriguez.

**Mr. Vance Badawey:** Thank you, Madam Chair.

I have a question for the presenter. Well done. I have to say, this is something that we've discussed from the outset, when we first started on this committee, especially at it relates to accountability and the matrix of giving out a lot of the infrastructure laws that will be given out.

Can you go into a bit more detail with respect to the accountability, performance measures, and returns on investment? When you are a mayor for 20 years, like me, you recognize at the municipal level that this is a must: you must be accountable with the taxpayer dollars. You also become an enabler, and you put a mechanism in place to put a discipline for those you are doing business with to really promote value engineering, on the part of the proponent as well as those who will be representing the proponent. You put an emphasis on asset management, a disciplined structure of asset management, to enable other projects to benefit from the project that you are investing in today. Also—again, I'll repeat myself—you are promoting return on investment, both current and the residual benefits, based on that project and other projects in the future that it may attach itself to.

If you can comment on some of those benefits that your bill is going to attach itself to, I'd appreciate that.

● (0905)

**Mr. Ahmed Hussen:** On the accountability piece, this bill empowers the Minister of Public Works and Government Services to require, for the first time, bidders on government contracts to demonstrate community benefits above and beyond the project itself; and to demand, from those same contractors, when that tool is used, an assessment of whether those community benefits were in fact delivered.

So there's a two-part process there. Then there's a third process in which the minister reports back to Parliament on whether those particular projects did indeed deliver community benefits to those particular communities.

**Mr. Vance Badawey:** I want to dig a bit deeper, because this is about accountability. It's about ensuring that the taxpayer dollar goes as far as it can with respect to the process. We see often that when projects are not done according to an accountable process, they might go awry, especially the bigger projects.

With that, to dig a bit deeper, how do you see value engineering as well as asset management and it attaching itself to not only the project that's being spent on but other projects that it might attach itself to? How do you see this bill as being a benefit to that?

**Mr. Ahmed Hussen:** I see it as being a benefit in the sense that once you refine that community consultation process to identify community benefits, it will build the intelligence and the institutional memory for the federal government to continue to apply this process and continue to refine not only the consultation process but also the identification of the community benefits process. We can continue to do that as we go forward with different communities across the country, taking into concern local circumstances.

**Mr. Vance Badawey:** Do you find that this mechanism, or this enabler—you used the word “enable” before, and I think it's the proper word to use—will put a discipline into those contractors, those who are bidding on a project, to ensure that budgets are met, time frames are met, and, to go back to value engineering again, the project will in fact be designed in the best interests of the taxpayer?

**Mr. Ahmed Hussen:** Yes, absolutely. It strengthens that process, but it does even more. It forces the contractor to consult with the community to make sure they know what the community wants and

have a plan in place to not only identify what the community wants but also deliver on those commitments.

**Mr. Vance Badawey:** Great.

How much time do I have left?

**The Chair:** One minute.

**Mr. Vance Badawey:** Mr. Fraser?

**Mr. Sean Fraser (Central Nova, Lib.):** Sure.

I guess I'll ask for some of the different kinds of examples, since we kicked off with a discussion about that. In my community, for example, there is a federally funded project, a great partnership between a local community and the first nations community that gave them great training opportunities and helped them join the workforce. That kind of thing may or may not have happened, but the federal government could not have demanded that before. Is that accurate?

**Mr. Ahmed Hussen:** Yes. I'll give you a provincial example and use that to say what the feds can and cannot do.

In Ontario there is a particular project that's all across Toronto. The Eglinton LRT project has a community benefit agreement embedded in it because of the Ontario legislation that demands community benefit agreements to be embedded in infrastructure projects. As a result of that agreement, there is an emphasis on hiring locally, training locally, and trying as much as possible to obtain goods and services locally from the particular community. In this case it's the city of Toronto. It has worked to do that. There is a mechanism in place to make sure we measure that and make sure there is delivery of those commitments.

**The Chair:** Thank you very much, Mr. Hussen.

Mr. Weir, you have six minutes.

**Mr. Erin Weir (Regina—Lewvan, NDP):** Thanks very much for having me at the transport committee. The NDP certainly supports public infrastructure spending. We also support leveraging those infrastructure investments to support local jobs and training. I was pleased to speak and to vote in favour of this bill in the House.

In terms of the objectives of the legislation, there is a mention of economic and social benefits. I wonder, if there were a proposal to amend the bill to also mention environmental benefits, if that would that be considered friendly.

● (0910)

**Mr. Ahmed Hussen:** On the issue of environmental benefits, my sense is that this has been addressed by another bill that is before Parliament to measure greenhouse gas emissions with respect to different projects and to take into consideration environmental issues locally.

**Mr. Erin Weir:** Okay.

I also want to talk about what types of infrastructure projects it would apply to. In your presentation, you indicated that it wouldn't oblige the provinces to do anything, and I believe the parliamentary secretary said it wouldn't affect municipalities, that it's only about federal infrastructure projects.

It strikes me that the vast majority of infrastructure projects involve some combination of federal, provincial, and municipal funding. Are you saying that this bill would only apply to some very narrow subset of infrastructure projects that are purely federal, or would there be some kind of process to consult and collaborate with provincial and municipal governments?

**Mr. Ahmed Hussen:** The bill is specifically and strictly about federal spending on infrastructure projects—building and repair projects. That's what this bill is really about. However, when you look at the landscape in the country, community benefit agreements are becoming the norm both in law and in practice.

In fact, what this bill is doing is enshrining community benefit agreements in federal jurisdiction. We just don't have that, although we do have community benefit agreements embedded in projects across the country. This is about the federal government in a sense catching up to other jurisdictions, but also playing that leadership role, because it's the largest spender, the largest entity in Canada that spends on infrastructure.

To answer your second question, nothing prevents the federal government from bringing forward its leadership on this, and hopefully encouraging other jurisdictions to follow suit. However, the bill is strictly on federally funded infrastructure projects.

**Mr. Erin Weir:** To be clear, the bill doesn't even require community benefit agreements for purely federal projects. It says that the minister “may” require them, so, of course, the minister could also try to negotiate them with provinces or with municipalities.

I guess that's what I was looking for some kind of indication on. Is the plan to try to apply community benefit agreements to a large number of infrastructure projects—I think that would be a good thing—or is the plan to say, well, if there's any provincial or municipal involvement, then we're not going to do it?

**Mr. Ahmed Hussen:** No, absolutely not.

Again, the minister and the federal government have the discretion to reach agreements with the provinces and municipalities, and they do that all the time. My vision was to make sure that we have a legislative framework to bring, for the first time, community benefit agreements into federal jurisdiction, and that's what I'm doing with this bill.

**Mr. Erin Weir:** Now one of the concerns that the NDP has about the Canada-Europe trade agreement that was just concluded, and also the Trans-Pacific Partnership that your government has signed, is that for the first time they really get into provincial and local procurement. Up until now, provincial governments have been able to do these community benefit agreements.

We're wondering whether you're clear that the federal government is going to be able to go ahead with these community benefit agreements and actually enforce them, notwithstanding the trade agreements that it wants to proceed with.

**Mr. Ahmed Hussen:** I'll comment on the question on the Trans-Pacific Partnership. In my opinion, nothing stops the government from including community benefit agreements into its contracts when it comes to the TPP. At the end of the day, the contractor is not

defined—it could be a foreign or a local contractor—and all that matters is that they deliver the community benefits.

That's my understanding.

● (0915)

**Mr. Erin Weir:** Would that be the view of the trade minister as well?

**Mr. Ahmed Hussen:** I can't comment on that.

**Mr. Erin Weir:** Okay, no problem.

Going back to the objectives of the bill, you've often spoken about a goal of creating jobs and training opportunities for at-risk youth, indigenous people, veterans returning from overseas. I would note that those groups aren't specifically referenced in the text of the bill.

Is there a reason for that, or is that something you might be open to amending?

**Mr. Ahmed Hussen:** The reason that is not specifically referenced in the bill is that the bill talks about local job creation. Local job creation depends on the local circumstances of the project. If we're talking about northern Ontario, then you would probably have a first nations component in the analysis for community benefits. It would be a totally different analysis if you're talking about my riding in northwest Toronto, for example. If you start to reference those groups in there, it would be a very long list, and I wanted to be a little bit concise.

Finally, on the issue of groups, I wasn't just talking about this group or that group, but even if you look at the construction industry, women only represent about 4% of the construction industry. That is something that needs to be addressed, and this bill could easily do that.

**The Chair:** Okay.

Mr. Hardie.

**Mr. Ken Hardie (Fleetwood—Port Kells, Lib.):** Thank you, Mr. Hussen.

I was there when you visited Vancouver to look into some of the practices there. I know that the City of Vancouver has used these community benefit agreements to increase the number of parks, day care centres, and other facilities. They've been very successful.

I'm just wondering, with the advent of this at the federal scale, if we need to open up some opportunities to take a slightly broader view. There are things that this federal government wants to do. It's pretty activist in terms of meeting greenhouse gas emission targets and getting green and social infrastructure in place instead of just simply looking at a project, a community, and what additional value the project could bring to the community.

Could we not use this model or framework of the benefits to actually ensure we're picking the right project and justifying it? In other words, if we have specific things that we want to do for skills training, indigenous opportunities, or GHG emissions, should we not look at community benefits from that lens and use that as we select the kind of projects and where we want to put them?

**Mr. Ahmed Hussen:** When it comes to training—local training, paid training, apprenticeships, and local job opportunities for community members—absolutely. I think this bill emphasizes that, but when you get into looking at this through the lens of the greenhouse emissions that would be emitted by a particular project, I think the bill emphasizes the community identifying its own benefits. I think it would be difficult to fit that into what the community identifies. However, nothing would stop the community from, for example, demanding that the community benefit that they would identify would be a local park that would sort of balance out the environmental degradation that would emanate from a particular project.

**Mr. Ken Hardie:** What I'm hearing, in fact, is that you would rather this measure not be overly directive on communities about the kinds of benefits that we would like to see at a national level and basically cede all of the decisions on that to the local municipality.

● (0920)

**Mr. Ahmed Hussen:** Yes, to the local community that the infrastructure project would impact.

That local community may be an entire municipality, or it may be smaller or larger, depending on the project itself.

**Mr. Ken Hardie:** How do you then coax out the advantages that we are looking for in green infrastructure and social infrastructure? How do you get this out of your bill?

**Mr. Ahmed Hussen:** I think some of what you're saying is beyond the scope of the bill, but nothing stops the government from embedding that into its own contractual process. My understanding is that there is another bill before Parliament that does require an analysis of the greenhouse gas emissions from each particular project, and that bill is making its way through the House of Commons.

**Mr. Ken Hardie:** In terms of the matter of tracking, measuring, and monitoring, it would be useful if your provision, and perhaps the other one, were to set up some kind of a register so that, at the end of a particular cycle, we could point back and say we've covered off all of these issues that we, as a federal government, want to see happen in our communities, as well as to ensure that over the range of projects, we're actually covering off all of the things that are important to us as a government.

Does your bill provide for some kind of a register and reporting mechanism that aggregates all of these benefits and reports back to Parliament?

**Mr. Ahmed Hussen:** The bill does envision a reporting back to Parliament by the minister once a year on the particular projects that a community benefits analysis was applied to and what indeed those benefits were. The details of that report and the particular topics that the report would cover are something that I leave to the regulations, which hopefully will be developed, in my understanding, after the passing of this bill. If this bill were to become law, that's something that I think would be developed by the department as they move forward.

**Mr. Ken Hardie:** Would this permit or encourage Buy Canada provisions? In other words, if we were going to build a bridge, would we say that we would rather have the steel procured in Canada?

**Mr. Ahmed Hussen:** The community benefits analysis would be one more item in the contract. When the minister decides to use this tool, it will be embedded in the contract. It will be one more check. The weight of that check, that weight of that item in the contract, is something that goes to the sum of all the other parts that constitute a contract.

**Mr. Ken Hardie:** Specifically to the question, could we have a Buy Canada provision as part of your initiative?

**Mr. Ahmed Hussen:** The only scenario I would see that in is if you have a Canada-wide project and Canadians say that's the benefit they want from that particular project.

**The Chair:** Thank you very much.

Mr. Sikand.

**Mr. Gagan Sikand (Mississauga—Streetsville, Lib.):** Thank you for being here.

I was actually curious about this. I think you mentioned Ontario's Bill 6, but I'd like to know the impetus, or the genesis, if you will, behind this bill.

**Mr. Ahmed Hussen:** I felt that it was important to do two things. One is to pursue a goal of trying to maximize the tax dollars that we use on infrastructure. The second thing I would like to do with this bill is bring the notion of community benefits to the federal realm. As I've said, the only province that has moved on this in Canada is Ontario; however, we've had community benefits types of projects across the country. The other advantage I've had through the consultation process is to learn about what is working with the Ontario legislation and what's not.

I think it would be a big step forward if the federal government, as the largest spender on infrastructure in Canada, were to move on this issue and embed community benefit agreements in their contracting process.

**Mr. Gagan Sikand:** How much time do I have?

**The Chair:** You still have four minutes.

**Mr. Gagan Sikand:** Really quickly, one of the concerns that does come up is that some might say this would add red tape or additional costs if it were implemented. How do you reconcile that?

● (0925)

**Mr. Ahmed Hussen:** It would not add red tape at all. It would be one more line in the contract that basically asks if there will be community benefits emanating from this project and what they are. It's an extra box in the already numerous requirements within a contract with the federal government.

It wouldn't add any additional red tape and it wouldn't add costs, because the more communities are consulted, the more they are already in the driver's seat for identifying what kinds of benefits they would get from a project. When they start to see those benefits emanating from a project, they're more likely to get behind a project and not slow it down with opposition. That saves time, and it saves money for the contractor and for the government.

**Mr. Gagan Sikand:** Also, there's the social cost that's gained.

**Mr. Ahmed Hussen:** Yes.

**Mr. Gagan Sikand:** I'd like to split my time, please.



**The Chair:** Mr. Iacono.

[*Translation*]

**Mr. Angelo Iacono (Alfred-Pellan, Lib.):** Thank you, Madam Chair.

I would also like to thank my dear colleague, Mr. Hussen, for being with us this morning.

Clause 1 of your bill notes “any other specific benefit identified by the community”.

How could the community identify the benefits?

Would a consultation process be launched?

If not, how else could the community identify the benefits that it wants for a project?

[*English*]

**Mr. Ahmed Hussen:** The bill does envision a consultation process for the particular community to identify what benefits they'd like to see. This is not an abstract notion. This actually happens in Canada. Municipalities consult with local communities all the time on what they would like to see embedded in a particular project, so this would be in the same line.

You would have a contractor, and in order to be able to demonstrate what benefits they would provide, they would have to consult the community and identify what the community wants. Nothing stops a local grassroots organization—or organizations—from assisting the community in coming together for that consultation process.

[*Translation*]

**Mr. Angelo Iacono:** Why do you think it's important that an annual report on the local benefits of work related to public works be tabled in Parliament?

[*English*]

**Mr. Ahmed Hussen:** I thought it would give us an annual macro-picture of when this tool was used by the federal government. It would give us a list of the infrastructure projects for which a community benefits analysis was done and tell us whether those benefits were in fact delivered. So it gives us not just a snapshot for a particular period but a much broader picture for a whole year, and we would see the federal spending on these projects and the tools that the minister used and then, finally, whether those benefits were indeed delivered. You would be able to actually follow through on that report, almost like a spreadsheet, and you would see how much money the federal government spent on this particular project, what benefit the community identified and then whether those benefits were in fact delivered fully or partially.

[*Translation*]

**Mr. Angelo Iacono:** Thank you.

Do I have a little time left?

[*English*]

**The Chair:** You have 30 seconds.

[*Translation*]

**Mr. Angelo Iacono:** I will give the time to Mr. Fraser.

[*English*]

**The Chair:** You can have a short question.

**Mr. Sean Fraser:** You mentioned something during your remarks about how adding this requirement can speed up the approvals process. Could you very quickly explain why that's the case?

**Mr. Ahmed Hussen:** I say that because you have the contractor reaching out to the contractors who are bidding for the project and reaching out to the community and involving them in the identification of community benefits, so the community feels buy-in.

Second, when you have these community benefits embedded in the project and the community sees that this is the way things are going to go, it's much less likely to oppose the project. That obviously speeds up the approval process because you have no community opposition. Community opposition is one of the things that delay and create obstacles to these projects.

If this process creates community buy-in, then not only would you not have delays but you would actually speed up the approval process.

• (0930)

**The Chair:** Thank you very much.

Ms. Block.

**Mrs. Kelly Block (Carlton Trail—Eagle Creek, CPC):** Thank you very much, Madam Chair.

I have three questions that go in all different directions. First, it's my understanding that Bill C-227 is an act to amend the Department of Public Works and Government Services Act. Why are we, the transportation and infrastructure and communities committee, hearing from the proponent of this bill on this particular act? Why has it not been referred to the government operations and estimates committee?

**The Chair:** My understanding is that it's specific to Public Works.

Mr. Hussen, do you have any comment on that? My understanding is this is a bill specifically for Public Works, not for anywhere else.

If anyone else wants to comment, they can, but this is exactly my understanding.

**Mrs. Kelly Block:** So it's specifically for Public Works.

**The Chair:** Yes. It's not for Infrastructure or anything else.

**Mrs. Kelly Block:** We have government operations and estimates, which works with the Minister of Public Works and Government Services. What was the process through which you decided that this bill should come to this committee when it's a Public Works bill?

**Mr. Pablo Rodriguez:** The House refers the bill to a committee, so it decided it would come here even if it's only for building infrastructure touching only Public Works.

**The Chair:** It's the proponent of the bill who, after discussion, directs it here, but it's the House that directs it here to our committee.

**Mrs. Kelly Block:** Okay. Well, it seems misplaced, in my opinion, to be in front of this committee when it's about Public Works specifically.

Given that, I have a question based on some of the testimony you have given. Your bill states that each individual community decides what its community benefit is. I'm wondering who in the community you envision being the one to speak to the benefits it will receive from any given project.

**Mr. Ahmed Hussen:** Ordinary members of the community will speak for the community.

**Mrs. Kelly Block:** What are the mechanisms that ordinary members of the community will have? How will they be able to provide to the federal government what they believe a community benefit to be and who will put all of that information together in order to provide a succinct recommendation to the Minister of Public Works?

**Mr. Ahmed Hussen:** Your question assumes that this has never been done before. This happens all the time in Canada, Madam, and again, it would depend on the community and the size of the community. For example, a local community, maybe through the assistance of a grassroots organization, would come together and have a consultation meeting with some of the contractors that are bidding for a government project. They could then inform them of what they would like to see coming out of an infrastructure project, whether that is a local park or maybe some jobs or some training opportunities if the skills are not up to speed in that community. That is a problem—

**Mrs. Kelly Block:** Thank you.

**Mr. Ahmed Hussen:** I'm just finishing my answer.

**Mrs. Kelly Block:** Thank you. No, no, actually, you're done. I've heard what I need—

**Mr. Ahmed Hussen:** I think that's up to the chair to decide whether—

**Mrs. Kelly Block:** No, I do have my time and you've answered my question—

**Mr. Ahmed Hussen:** Okay.

**Mrs. Kelly Block:** —but you made the point that I assumed this has never been done before and that's not actually my assumption. I'm asking you to describe for this committee the process you envision, by which community members will come together—

**Mr. Ahmed Hussen:** I am.

**Mrs. Kelly Block:** —and you've said that some local association or organization may take up the cause to be able to demonstrate a community benefit—

**Mr. Ahmed Hussen:** That's not what I said.

**Mrs. Kelly Block:** That leads to my next—

**The Chair:** Let's just get the clarification. He said that's not what he said.

**Mr. Ahmed Hussen:** That's not what I said. I said the local, grassroots, community organization may assist community members to come together to help them conduct the consultation process, so that the community members themselves can identify what they'd like.

• (0935)

**Mrs. Kelly Block:** Okay, to my mind, it's very vague as to how these community members are going to have an opportunity to

provide input to the Minister of Public Works on the community benefits of a project.

Why is the burden to demonstrate community benefits being placed on the bidder of the contract and not on Public Works when they are looking at selecting a contractor? Why is it the community and not Public Works that is obviously the proponent pushing for the project to be done?

**Mr. Ahmed Hussen:** This is my conception. The onus is on the contractor because they are the ones that are bidding for the government contract and it's not just one contractor. It's usually a number of them and they are all competing to get taxpayer dollars, so what we're saying to them is, "If you want government money to do project x, what other value would you create for this particular community? Show us what else you could offer to the community and do that in a way that engages the community, so you are not just guessing what that benefit would be. Engage the community and then get back to us and tell us."

**Mrs. Kelly Block:** Thank you.

I want to follow up on a question that your colleague asked about red tape and additional costs. There are 37,000 federal buildings and 20,100 federal properties. The Minister of Public Works and Government Services will need an entire new team to process the paperwork, yet you've said there will be no cost since it will just be one additional line. Can you describe what you envision that to be, that one additional line? What's that line going to provide to the minister in order to allow the minister to know whether or not the contractors have satisfied the community benefits test?

**The Chair:** Could you provide a short answer, Mr. Hussen?

**Mr. Ahmed Hussen:** Okay. Right now, we have a very rigorous application process for contractors applying for Public Works and Government Services contracts. This would be an extra line in there asking whether there is a community benefit above and beyond the project and what is that benefit? That would be one extra box in there and it wouldn't require any new team, or sub-department, or anything like that.

**The Chair:** Thank you very much.

Mr. Hardie.

**Mr. Ken Hardie:** I get the impression, Mr. Hussen, that really what you're looking for is something that comes from the community up into the project. Will this add cost to the project?

**Mr. Ahmed Hussen:** Absolutely not. The community benefit agreements that have been embedded in infrastructure projects across the country have not, in any way, shape, or form, added any additional costs to the project. In fact, they have brought value to the communities involved.

**Mr. Ken Hardie:** Can you describe, then, a scenario of how that would happen?

**Mr. Ahmed Hussen:** That what would happen, the benefits that a community would get?

**Mr. Ken Hardie:** Yes. Describe a benefit that could be coaxed out of the project, something that met the community's needs that didn't necessarily add time or cost to a project.

**Mr. Ahmed Hussien:** For example, the community may demand from a contractor that, as part of the project, the contractor consider giving an opportunity for jobs or paid training to local members of the community. That has happened in many, many projects, including the Eglinton crosstown LRT project in Toronto, where a number of jobs were given to local youth in the community, and they were given access to trades. They were included in that building project by the contractor as part of a community benefits agreement with the local community.

**Mr. Ken Hardie:** I think it would be fair to say that somebody who's put into a situation like that may not be as productive as a well-experienced person. That, to me, would suggest that there could be some additional costs. I'm not saying it's a bad thing; it's just a matter of when we, for instance, cost out a project, when we come up with an estimate as to what something's going to cost us, if we want that kind of community benefit to emerge, or if our partner in the community wants that benefit to emerge, we do have to account for that.

• (0940)

**Mr. Ahmed Hussien:** Looking at the jobs that are provided, for example, envisions that the folks who are being hired are people who can already do those jobs. They just happen to be local community members. The issue of the folks who cannot do the job who, like you said, would add additional costs, would be taken care of by an option for the contractor to enable the local community to get access to paid training, or just training, so they're able to be in a better position to take advantage of similar jobs down the road or with other projects. That sort of analysis doesn't happen at this time with the federal government. There's no legislative framework, and this bill would enable us to start doing that.

**Mr. Ken Hardie:** Okay.

I want to go back to the green and social aspects of this. Would the ask we get from the community be totally left up to them? Would you envision a situation where we come to a community and say that we want to make an investment in the community, we want to rehabilitate an existing federal building? There are no community dollars going into it; it's just simply all on our account. Would we then want to talk to the community and coax out from them or bargain with them the kind of community benefit we would like to see emerge out of this project?

**Mr. Ahmed Hussien:** My vision is that the identification of the benefits would always come from the community itself, similar to how mining companies interact with local communities that are impacted by mining operations. They always go to the community, allow the community to identify what they want from that project, and sign an agreement with that community. This would be similar to that process.

**Mr. Ken Hardie:** Is there a framework in place that would describe or define the sorts of things the community could ask for?

**Mr. Ahmed Hussien:** I don't see the need for that because most communities would want similar things. They would want local jobs. They would want paid training if they don't have the skills for those local jobs. They would want green space or some other form of benefits. They tend to be very similar across the country, depending on the project, but essentially they are a form of social procurement

for small businesses in the neighbourhood, and really, a majority of them would require local jobs and training or a mix of the two.

I don't see a need for the government to come and tell the community what they should ask for. I think that most of the time, if you consult communities, they would come back with those kinds of asks because they would want those kinds of benefits to come out of a project.

**Mr. Ken Hardie:** Thank you for that.

I'll cede some time to Mr. Sikand.

**Mr. Gagan Sikand:** You mentioned earlier that Ontario had legislation already in place similar to what you're proposing. I just want to know what their experience has been, if you know that.

**Mr. Ahmed Hussien:** Ontario has passed Bill 6, which embeds community benefit agreements in all the infrastructure spending, almost \$29 billion over the next number of years. The regulations haven't been written yet, but already, just the passing of that bill has provided leadership not only to provincial bodies but also to the private sector to start to really incorporate community benefit agreements in their projects.

**Mr. Gagan Sikand:** We're going to catch up.

**Mr. Ahmed Hussien:** In some sense we are, and we would be the second jurisdiction in Canada to do that. In addition to that, they have made a lot of headway in terms of the local jobs piece, really embedding community benefit agreements that emphasize local job creation, and that has been very successful in many ways.

**The Chair:** Thank you very much, Mr. Hussien. I thank you for being here.

Before our next presenters begin, I would like to congratulate our analyst Zackery on being a new father.

• (0945)

**Mr. Zackery Shaver (Committee Researcher):** Thank you.

**The Chair:** To the witnesses, I will allow you all to introduce yourselves and to say who you represent.

**Mr. Michael Atkinson (President, Canadian Construction Association):** I'm Michael Atkinson. I'm the president of the Canadian Construction Association.

**Mr. Christopher Smillie (Senior Advisor, Government Relations and Public Affairs, Canada's Building Trades Unions):** I'm Chris Smillie. I work for Canada's Building Trades Union.

**The Chair:** We have a witness with us by teleconference.

**Mr. David LePage (Chief Executive Officer, Buy Social Canada):** I'm David LePage with Buy Social Canada.

**The Chair:** Thank you all very much for taking time out of your very busy schedules to join us and provide your comments on Bill C-227.

We will open up the floor to whoever chooses to go first.

Mr. Atkinson.

**Mr. Michael Atkinson:** Thank you, Madam Chair, and honourable committee members, for inviting the Canadian Construction Association to appear before you today on Bill C-227.

As those of you who were here last week know, CCA represents Canada's non-residential construction industry. I was before you on the navigable waters protection act.

We have 20,000-plus firms from coast to coast to coast across Canada. It is our members who will be most directly impacted by Bill C-227, because they bid on projects that are awarded or let by PSPC.

We appreciate that in Minister Foote's mandate letter, she was tasked with modernizing procurement practices to make them simpler, less administratively burdensome, and to include practices to support the government's economic goals, including green and social procurement. Clearly, Bill C-227 is consistent with this overall objective, so we are neither surprised by the bill nor opposed to its introduction.

However, our concerns deal specifically with how this is implemented, and, in particular, to make sure that any community benefits or social procurement objectives that are put into the procurement of a construction contract do not jeopardize the integrity of the competitive bidding system; or, put in another way that you might better understand, do not conflict with Treasury Board's own contracting policy guidelines with respect to tendering, etc.

For example, where an entity wants to have a certain public policy objective achieved through procurement of construction services, they must define that in the document that's soliciting bids. They must clearly define what it is they want the bidders to bid against, and to price. The opportunity has to be equal for all bidders competing. That's a very important point. The consultation process with respect to a local community, to define community benefits to go into a PSPC contract, would have to be done by the department prior to seeking bids. That's the only way that the procurement process would be in fact be complied with. That's an extremely important point.

I think, Madam Chair, I'm a little confused. I thought I was coming here to speak about Bill C-227, but I suspect we're going to get into a very good discussion about social procurement and community benefits. That, we're prepared to do, but it's important to understand that first point I'm making. Your own rules, right now, do not allow you to go to bidders after the bids have closed and ask, "What can you do for us locally?" We had a commission of inquiry in Quebec that frowned on that kind of approach. It's very important that those requirements be spelled out in the tender documents so that all bidders have an equality opportunity, so that it's transparent, accountable, etc. That's very important.

Let's turn to Bill C-227. As I said, we do not oppose the introduction of social procurement or community benefits into contracting. In fact, we see it all the time. It's the manner in which it's done that is so important, to ensure that taxpayers do get value for their money, and that it's done in a transparent way that supports the integrity of the bidding system.

Going to the specifics of what would be asked for in the community benefit agreement, our only question is on whether anybody has done their homework to determine whether in fact procurement is the best tool, or even an effective tool, to achieve that public policy objective. It may be a public policy objective that everybody agrees with—not a problem. Getting more employers to engage in apprenticeship is a laudable objective. We would absolutely support that. However, has anybody really done the exercise to determine whether that is the best means to do so?

Secondly, how do you measure it? How do you know, by putting this into the procurement of a particular construction project, that you are actually having an impact on the public policy objective you're seeking? With regard to the engagement, for example, of disadvantaged youth, is it happening only because it's a condition to get this particular contract? Is it really having an impact?

● (0950)

The Mowat Centre in Toronto did a study of the use of social procurement and community benefits worldwide in jurisdictions that have been doing it longer than Canadian jurisdictions. One of the things the study said was that it falls down if the conditions of the contract don't get enforced by the public sector contracting authority, or there's no metric to measure whether the use of those objectives in the procurement process is successful.

I guess we're here to say that, in general terms, we have absolutely no problem with the bill in what it's trying to achieve. The important point is the manner in which it's implemented. Public owners must define in their tender documents what it is they want the successful bidder to do. That's an absolute fundamental principle in competitive bidding. It's the only way to measure whether you're successful or not after the fact.

The worst-case scenario would be a situation in which, for example, a public sector agency said, "Give me a price on building the new hospital, but also I want to see another envelope as to what you're going to do for the local community." That's the last thing we want to see in any procurement system. I think that's a key point. The only other thing I would close on is to say that this whole area is extremely important. Corporate social responsibility is becoming something that we are looking at very earnestly in our industry. It's a very important part of doing business today. We have a how-to guide coming out for our contracting members in the industry, but CSR is not social procurement. CSR is a voluntary program that a corporate entity takes on to ensure that what it does as a company meets environmental sensibilities, good HR practices, etc. Social procurement is a government coming out and saying, "If you want to do business with us, then you have to have a CSR policy." I think that's a very important difference.

I'm going to conclude there, and I look forward to the discussion. Our biggest point is, and I'm repeating myself, but it is so important, that's how something like this gets implemented. When you read the bill, it's very clear we're talking about contracts that are awarded by the minister of PSPC. Those are federally funded projects that the PSPC would build themselves and would be the contractor on. Those projects, quite frankly, are fewer and far between than they used to be. It's not a huge area. Most of the infrastructure projects today are awarded or contracted by the municipalities or the provinces. It's important to keep that separation. Our speech is the same to municipal governments and provincial governments. If you're going to put community benefits or public policy objectives in your tendering, then define it up front. You want a building that is reduced in carbon emissions. You want a good environmental footprint. For Pete's sake, put that in the initial document, and allow all bidders an opportunity to come up with an innovative way to get you what you want.

Thank you.

• (0955)

**The Chair:** Thank you very much, Mr. Atkinson. As always, you're very precise and succinct when you come to see us.

Mr. Smillie.

**Mr. Christopher Smillie:** Good morning, Chair, members of the committee and fellow witnesses.

Canada's Building Trades Unions represents 500,000 skilled trades workers across Canada working for construction companies large and small. We have 250 training centres funded by member and contractor contributions delivering provincial and industrial curriculum for contractors and the economy.

The average age of apprentices has changed over time. We now see apprentices who are on average 28, 29 or 30 versus a decade ago, when apprentices were coming to us straight out of high school. According to BuildForce Canada, over the next 10 years more than 250,000 skilled trades workers will be retiring forever, and industry will be short more than 25,000 workers. We need to capture that body of knowledge, and train young Canadians looking to enter the workforce. Canada's young people need some training.

Statistics Canada's labour force survey lists youth unemployment in the 13% range, certainly worthy of public policy attention. The component principles of Bill C-227 are an important step for Canada's infrastructure future.

Community benefits and, specifically, training on public infrastructure projects, in our view, are key components of Canada's workforce training plan. Large federal infrastructure projects present an opportunity to train young Canadians while stimulating the economy.

If we want apprentices for the new economy, we have to give them the opportunity to acquire the hours required for the practical component of their studies. As a purchaser of construction, the federal government has a choice of contractor, and can dictate the terms of proposals from trade contractors. If government wants apprentices on federally funded job sites, they are free to put it in the RFP requirements like the long list of other things Public Works requires of bidders.

The introduction of this bill gets us thinking about leveraging the upcoming infrastructure spend for a public policy purpose. In the energy sector in Alberta, there is a track record of hiring apprentices as part of the RFP process. Major players in Alberta have been doing it for close to 10 years on new construction.

The evidence from this process is strong. It has increased workforce loyalty, and increased propensity for large energy projects to have a ready-made workforce for subsequent maintenance of their multi-billion dollar facilities. It also helped hundreds of people become journey people. This helps the next project and helps the economy.

We think the government should set thresholds of projects wherein community benefits are required as part of federal funding. It doesn't make sense to apply the training community benefit filter to small micro projects. This can paralyze or exclude small companies from participating. There are plenty of large projects, and retrofit work where it would work well. Set a project bid minimum and go from there. We think the provincial governments and municipalities should get on board considering these issues.

The Province of Ontario will spend almost as much as the Government of Canada on infrastructure over the next decade. Imagine all the training opportunities if both governments worked together on this initiative. Ontario has Bill 6. We talked about that this morning. It's about a year old. So far, so good.

Encouraging construction companies to have a training plan, hire and manage apprentices, and in the end create jobs for people that need them makes good public policy sense. In industry, we struggle to get a majority of construction companies to actually train apprentices. The Canadian Apprenticeship Forum estimates only 19% of Canadian companies hire an apprentice. This has to change.

The graduation rate from Canadian apprenticeship programs is fairly stagnant, primarily because of a lack of work for apprentices who are actually trying to find work. The federal government has a chance to play a leadership role on this file.

I remain available to take your questions. Thank you for the invitation, and I look forward to our conversation with my industry partner.

**The Chair:** Thank you both very much.

We'll now go to Buy Social Canada, Mr. LePage.

•(1000)

**Mr. David LePage:** Thank you, Madam Chair and members of the committee, for the opportunity to appear before you and support Bill C-227.

This bill recognizes that every government purchase has a ripple effect. Every infrastructure investment, whether intentional or unintentional, has an economic effect and creates jobs. Bill C-227 offers government the opportunity to add an intentional social value as well, leveraging greater value from existing spending.

Buy Social works with social enterprises, which are often the partner businesses in social purchasing agreements. Social enterprises are small and medium-sized businesses that have a social purpose and reinvest the majority of their profits back into their social purpose.

Let me give you a few examples of how social purchasing agreements have stimulated social impact through subcontracting work between the construction industry and social enterprises, supporting not only the successful delivery of construction contracts, but also enhancing the social impact of existing projects.

In Vancouver's Downtown Eastside, one of Canada's poorest postal codes, EMBERS Staffing Solutions is a social enterprise operated by a registered charity. Its business model is to operate a socially conscious and supportive workplace in a day-labour company. Their revenues exceed \$5 million annually. This year, they will create over 1,500 jobs for persons with barriers. These are people leaving prison, people recovering from addiction issues, and others seeking day-at-a-time entry or re-entry into the labour market. They operate primarily in partnership with the construction industry, providing needed skilled and unskilled workers to support the industry's construction contract requirements. They recently opened an office in Surrey to expand their business services and social impact into that community as well.

In Winnipeg, BUILD, a social enterprise working with youth at risk, primarily aboriginal youth, helps with pre-employment and entry-level employment, often leading to full employment in the construction industry. Everyone admires and appreciates their impact once you hear the amazing stories of former gang members moving from crimes on the street to productive employment with companies such as PCL.

The Cleaning Solution employs persons with mental health challenges. A simple but creative supply-chain partnership between the construction industry and a social enterprise has the Cleaning Solution cleaning the EllisDon offices at a construction site in Vancouver.

In Toronto, the Learning Enrichment Foundation, LEF, has for many years been actively engaged in supporting social impact spending as a means to support immigrants entering the labour force. LEF is a community partner in the current Crosslinx CBA initiatives.

What's fascinating is that in 2013 Ernst & Young research found that for every dollar spent on targeted employment by Atira Property Management, a social enterprise, there was a return of \$3.32 to government.

We're also pleased to see this bill under consideration while simultaneously the Ministry of Innovation, Science and Economic Development, ISEC, and the Ministry of Employment and Social Development, ESDC, are engaged in developing a comprehensive cross-ministerial social enterprise strategy for Canada. Bill C-227 is an ideal way of integrating Public Works and Government Services into a larger cross-ministerial mandate focused on community, economic, and social development.

We believe that Bill C-227 will allow government to continue to create the intended economic stimulus that is created by government spending, but by adding a social impact element, that same money can be leveraged to address the most complex social issues our communities face. Community benefits agreements and social purchasing can include skills training and apprenticeships in the trades, as mentioned, and can create youth employment, address aboriginal economic challenges, and provide paths to integrate immigrants and new Canadians into the economy and social networks.

Without added costs or red tape, government can achieve a much greater return on the taxpayers' money: economic return, employment creation, and social impact. Adding intentional social value goals onto existing government construction and repairs spending will ensure our communities the greatest possible full-value return on taxpayer spending.

•(1005)

Thank you very much, and I look forward to the discussion and your questions.

**The Chair:** Thank you very much, Mr. LePage.

Now we move on to Mr. Rayes.

[*Translation*]

**Mr. Alain Rayes:** Thank you, Madam Chair.

Good morning. I'd like to thank the three witnesses for being here today.

MP Hussen, who introduced Bill C-227, told us earlier that he did not think it would generate any cost in the system, simply because it would only require adding a line in the contracts. The developer would only have to indicate whether or not there would be economic and social benefits for the community.

Yet I think it's much more complicated than that. In fact, when I was mayor, I saw many contracts and analyzed many tenders. If the answer indicated on that line was "yes", someone would still need to do a fairly rigorous analysis to ensure that the situation was fair and just for all developers who submitted a contract.

Mr. Atkinson, do you think my analysis is wrong?

Do you really think that if we ensured things were fair and just for everyone who submitted tenders, this analysis would not require public funds?

[English]

**Mr. Michael Atkinson:** First of all, it goes to the point I made earlier that it's got to be defined up front so that all bidders are aware of what is expected and how they're going to be judged with respect to their tenders. In particular, if the award of the contract is also going to be based on the value of the community benefits being provided as defined in the document, it has to be defined in the document.

In fact, according to Treasury Board policy, any weighted criteria given to anything other than price must also be up front. Is there an additional cost? You'd have to ask PSPC about how much more difficult it is to assess proposals that come in that have conditions other than simply price. Nothing's for free. If a local community wants, in addition to the new federal penitentiary being built in their region, to have an additional green space, and that's provided in the documents that go out to bidders, they will price that provisional green space accordingly. That will be part of the process. I think it's very important to understand that these requirements must be identified up front, particularly if they're going to be part of the selection criteria.

[Translation]

**Mr. Alain Rayes:** Thank you, Mr. Atkinson.

Mr. Smillie, I am very interested in your comment about young apprentices. You said that only 19% of people hired on construction sites are apprentices. You seem to be basing this on a causal linkage when you say that you believe that Bill C-227 might improve the situation.

However, you noted that the government can dictate terms already in its calls for tender. So, without this bill, it could impose a certain percentage of apprentices or indicate its willingness for there to be one. The goal would be to prepare the next generation or the workforce and encourage young people. It might even want to target other community members.

Would you agree that the government can already impose these criteria if it wishes?

Mr. Atkinson can confirm that it would be just and fair to all the developers. Indeed, they would follow the same rules and would make their submissions on the same terms.

[English]

**Mr. Christopher Smillie:** The statistic that 19% of Canadian companies hire an apprentice is a general statistic on Canada. We need to do better in this country to improve that number. The number in construction is actually higher than 19%. It's more in the 30% range, the percentage of construction companies that actually hire an apprentice.

We think that the requirement for a contractor to submit a training plan is something that has worked in Alberta. When a large energy company puts out an RFP to build an oil sands facility or to upgrade a facility, part of the request for proposal document specifies that any contractor who is bidding must also, as part of the bid, submit a training plan on this job site to show how they plan to use apprentices. Our vision would include some sort of combination of a training plan and a measuring tool that the contractor uses to report to the federal government to talk about their training levels.

Sometimes these RFPs are very specific, dictating percentages of first-year apprentices, second-year apprentices, and third-year apprentices in an attempt to bring young people and under-represented groups into the skilled trades.

• (1010)

[Translation]

**Mr. Alain Rayes:** Mr. Smillie, my question is whether the government can already do this, without Bill C-227. As far as I know, the answer is yes.

[English]

**Mr. Christopher Smillie:** The government can do whatever it wants. There was an attempt to do something like this during the build Canada plan. The Minister of Infrastructure at that time promised to do something and then decided not to, in the end. There was a process undertaken between Infrastructure Canada and ESDC, then HRSDC, to take a look at this, but some strong lobbying against it took place from the business community. The minister and the infrastructure department backed away.

It's all about will. If governments want to do this, they can, because they are the writers of cheques. A bill is helpful. It gets us on track for the future.

[Translation]

**Mr. Alain Rayes:** My question, Mr. Smillie—

[English]

**The Chair:** Thank you very much.

I'm sorry, Mr. Rayes, I seem to be always cutting you off. Your time is up.

Mr. Badawey.

**Mr. Vance Badawey:** Thank you, Madam Chair.

I want to start off by saying that there were two false statements made up front. One was that this can only be done or happen after bidding has closed. That's not the case. It can be done beforehand. A second point was that this may not help communities. I can say, with a lot of confidence, that it does. Having said that, the proof will be brought forward when the process is then being undertaken, whether it be by municipalities or the private sector.

I do want to preface my comments by saying something that I think was alluded to by Mr. Smillie, and that is equality, confidence, and consistency throughout the system and throughout the nation when these bids are being let out. I mentioned earlier the residual benefits and the returns on investments that can be included within those residual benefits. Again, I think Mr. Smillie was alluding to that with respect to the skills of the workforce and the benefits that can be built into these matrixes when they're actually being weighted. There is a ripple effect. These contracts can be leveraged, not only with respect to the obvious but also with respect to the leveraging that can happen because of the added value of a contract.

Ensuring that definition is built into bids was also mentioned. For the most part, I think that goes without saying. With that, and based on defined expectations contained within bid documents, am I hearing that it's beneficial that within those definitions a matrix be put in place and that matrix be weighted based on the priorities of the government? Just as an example, some of those priorities might include skilled trades apprenticeships. They might include the alignment with, for example, an asset management plan for future investments.

I say that deliberately and specifically to Mr. Atkinson. Although it's defined within bid documents, the methods may differ from the bidders to come to those conclusions. That's why we go to bid process. It's for that very reason. Those methods, because one may be less expensive than the next, are what the game is all about.

Going to your point, I take the point, however obvious it is, very seriously, because I think that's what drives the agenda. That's what drives more value added when it comes to the taxpayer.

That said, I'll go back to my questions. First, do you agree that this weighted matrix is the most appropriate mechanism, based on definitions, of course? And second, do you find that it's up to the bidder to do their homework and to find out how in fact they can add leverage to future investments based on what they're actually bidding on today?

**Mr. Michael Atkinson:** I'm still trying to mull over "future investments" and how that would work.

**Mr. Vance Badawey:** Can I qualify that?

**Mr. Michael Atkinson:** Yes.

**Mr. Vance Badawey:** A road has to be done. You're bidding on a water and sewer project. What value can you add to the future roadwork that has to be done?

**Mr. Michael Atkinson:** If it's in the tender documents and all bidders have an opportunity to make their case, I couldn't agree more: that's the way to go, absolutely.

I should qualify what I said earlier. On a strict reading of the bill, the way it's written right now, it implies that this discussion of community benefits would be after the bids are in. That's why....

I understand your point, and I'm glad to hear it, that the understanding is that, no, this is something that will be defined up front in the bid documents. That's great. We wanted to hear that. But on a simple reading of the four corners of that bill, that's not what the bill says. So I'm glad we've clarified that.

•(1015)

**Mr. Vance Badawey:** Can you point to the line where it says that? I just need some clarification there to help me out on this one.

**Mr. Michael Atkinson:** Okay.

The Minister may, before awarding a contract for the construction, maintenance or repair of public works, federal real property or federal immovables, require bidders on the proposal to provide information on the community benefits that the project will provide.

It says, "The Minister may, before awarding", not before going out for bids, "before awarding." In our language that we use, that means the bids are all in and the selection process is under way, and the minister "before awarding," is going to go and poll the bidders to

find out what's the degree of community benefits or content that you have in the bill.

Now, if we are wrong in our interpretation of that, that's great and I'm very happy to hear today that it's not what this is about, that this is about establishing the community benefits or public policy objectives up front in the bid document. That's great, I'm very happy to hear that.

**Mr. Vance Badawey:** That's the input that we're looking for. If I can go on, I'm going to allow Mr. Smillie to comment as well, but what I'm also looking for is specific to the matrix—

**Mr. Christopher Smillie:** I have a comment.

**Mr. Vance Badawey:** —specific to the weighing. What do you guys expect to see in there to make it easier for you to add that value?

**Mr. Christopher Smillie:** We support a weighted and upfront matrix.

I want to caution the committee, or caution folks who are thinking about this is, that the issues that local communities face in downtown Toronto are different from what they face in rural Alberta, and are different from what they face in Halifax, for instance. When we're designing or thinking about a matrix, flexibility would be key, depending on a number of public policy items. If we're looking at a weighted matrix in Esterhazy versus Oakville, Ontario, we need to take economic situations into account for those communities. We're happy to be involved in the designing or thinking about these different public policy areas, but again that's up to government to decide.

**The Chair:** Mr. Badawey, your time is up.

Mr. Aubin.

[*Translation*]

**Mr. Robert Aubin (Trois-Rivières, NDP):** Thank you, Madam Chair.

I would like to thank the witnesses for being here.

In the first hour, MP Hussen answered a question and made a parallel between Bill 6 in Ontario and his bill. Without saying that it was a cut-and-paste job, the two bills have obvious similarities. You probably have some experience with the Ontario legislation. So what are the strengths or weaknesses of the Ontario experience that would allow us to improve Bill C-227, where necessary?

My question is for Mr. Atkinson, but the other two witnesses can also respond.



[English]

**Mr. Michael Atkinson:** My response is going to be not necessarily specific to what's going on in Ontario, but what's going on across the country, where different municipalities and governments generally are looking at using procurement to advance other public policy objectives, other than getting critical infrastructure into their community.

Our concern is the rigour that goes into that decision of why procurement. It's a fair question to ask. Why is procurement a good tool to achieve that public policy objective, which may be an objective we would all like to see? And two, if it is going to be an effective tool, how are we going to measure? How do we know it's working?

That's what the Mowat Centre said in its study of social procurement worldwide were the two things that they felt were absolutely required.

On the Ontario situation, I think it's still too early to see whether that's going to work or not, but it's so important, because, quite frankly, we don't want to see window dressing. If we really want to ensure we get greater employer engagement in apprenticeship training, then let's find the right measures, and tools, and levers, and push them all. Don't just say, you have to hire so many on a federal project, and walk away and say, we're done, we've done it.

What isn't measured doesn't get done, and if there is no way to measure that, it's too simple to simply say, we're done, we've done it. You haven't done anything. I think that's the key point, that as these policies are put in place, the first question that should be asked is, why procurement? Is this the best way or is there a better way? If it is a way to achieve this objective, how are you going to measure it? How are we going to prove to ourselves that this is actually the way to go?

That is going to be key, not just to the Ontario legislation, but all attempts to use procurement to achieve social or public policy objectives, because from a taxpayer's point of view, and they're ultimately footing the bill, that's accountability: is my dollar actually going to encourage the engagement of more disadvantaged youth, or is this just window dressing?

• (1020)

[Translation]

**Mr. Robert Aubin:** Thank you.

Mr. Smillie, do you have anything to add?

**Mr. Christopher Smillie:** Yes, briefly.

[English]

In Ontario, the experience so far has been positive because we're talking about these issues. In addition, we have two metrics that are improved. In 2016, thus far in Ontario, apprenticeship completions are up. There's a public policy issue where we have lots of registrations in apprenticeships but graduation is fairly stagnant. Year over year, in 2016, so far we have more completions. Work hours are also up on a macro level for apprentices in Ontario. Those are the only two specific metrics I can share with the committee today.

[Translation]

**Mr. Robert Aubin:** Thank you.

Mr. LePage, do you have anything to add?

[English]

**Mr. David LePage:** I think Mr. Atkinson is being a little dramatic. What we realize is that internationally this is not new. We have been doing community benefit agreements. In Canada, if we go back to the 2010 Olympics, these have been community-industry-government partnerships that have actually created greater value for existing purchasing. In terms of how do we measure, it's very easy. We've been able to create metrics around social return on investment that reflect things such as added hours and how much value has been put into local procurement and local employment, or employment for people with barriers. These are not unmeasurable things; these are very measurable things.

I think another thing we can be very clear about is that these are not added costs. These are costs within the contract. So when we think about a project that is going to happen, how do we best look at where we purchase and how we purchase materials that we need, and where are we going to procure them from? Will it be chosen from a local supplier or will it be imported? Is there going to be employment and subcontracting to whomever is the lowest, most efficient, and everything else, which includes a social benefit? I think the examples we know of are not added costs, they're added benefits, and they're driven when government in a contract just merely asks that question: along with price, along with quality, what is the social value that you are going to bring in this bid? It's fair, it's open, it's transparent. The use of a prescribed measurement metric along the criteria of what is the price competition, what is the quality of competition, what is the environmental impact, and what is the social impact, is all fair, transparent, and clearly measurable.

**The Chair:** Thank you.

Mr. Fraser.

**Mr. Sean Fraser:** Thank you very much to our witnesses for your very helpful testimony.

Before I launch into my question, Madam Chair, for the sake of the sponsor of the bill, I have an issue with one comment that was made somewhere along the way. It was suggested that his testimony was simply just one line. I think his answer was a bit broader than that and suggested that there was also an opportunity to explain what the community benefit was.

I'd like to give each of the witnesses a chance to speak to this. One of the things that I see as a benefit from this proposed legislation is that it provides a platform for bidders to suggest how they might meet certain needs in a community.

Mr. Atkinson, your point is well taken. I think you said if you're building a penitentiary with a green space, that should probably be in the specs of the project. All other things being equal, if I know that the bidder on a project plans to hire, let's say, new graduates from the local community college, which will help them stay in Atlantic Canada when we have out-migration of youth, that's a very positive thing. If they're going to hire or contract out work to Summer Street Industries, a group in my community that employs special needs adults, I'd like to give them that platform. I don't see that currently being embedded into practices.

To each of you, do you think this legislation provides a helpful platform to bidders to take part in that portion of the analysis?

• (1025)

**Mr. Michael Atkinson:** It would, if it's defined up front. In the platform that you're giving them, if their response to that platform in any way, shape, or form is going to be considered in the selection of the successful bidder, then Treasury Board requirements, indeed contract law in Canada, requires that you let all bidders know up front that this is going to be part of the selection criteria and how it's going to be weighted.

I have no problem with government establishing those rules up front and saying it's going to give us all an opportunity to meet this bar in terms of employing disadvantaged youth, for example—and we might come up with different innovative solutions—but the government better let us know up front that this is going to be a criterion in selecting the successful bidder. If that's the case, you have to do that up front and it has to be disclosed to all bidders.

**Mr. Sean Fraser:** Sure. What level of specificity is required? Maybe we are going to consider youth employment opportunities or other social benefits, but I don't necessarily want to pigeonhole people into having to hire 30 people from Summer Street Industries, to use my example. What level of specificity is required in the bid documents to meet your concerns?

**Mr. Michael Atkinson:** To be honest, it would be better to ask a procurement expert, probably somebody from PSPC who would have to be doing this. I know that one of the things they are consistently concerned about is being able to compare apples to apples and not apples to oranges in those circumstances. There would have to be some ability for them, in a transparent way, to ensure that they have looked at all the proposals in a fair, equal, and open manner. That question is more for them, as to how specific you have to be. I would say that, from their perspective, it would have to be specific enough so that they know they are comparing apples to apples.

**Mr. Sean Fraser:** Mr. Smillie, you can go next. Is this platform a helpful thing?

**Mr. Christopher Smillie:** I'll give you a current state and a future state, to be practical. Currently, if a construction company wins a bid, they call us to say they need 400 carpenters, 25 welders, and 36 bricklayers. That's an after-the-win-the-bid situation. If this bill passes and some sort of matrix is set up, conversations would have to

occur beforehand between contractors and labour providers in order to make sure that we can workforce-plan. In my view, the more we can workforce-plan and get the training thing right for industry, the better off we are. We would actually have to have a conversation with five or six of the bidders who are bidding on the project to talk about whether we can provide 19 welding apprentices or 26 carpenters. In our view, for workforce planning, that's the way we need to be.

**Mr. Sean Fraser:** Sure. The way I envision this rolling out, rightly or wrongly, is that you might say we need x number of welders, but then you would have some other point in the bid documents that suggests that we'll also consider factors such as local youth employment or training opportunities. Is that something that would be a helpful way to deal with this?

**Mr. Christopher Smillie:** Sure. You do that up front, too. You have conversations with contractors on an ongoing basis about underprivileged youth in downtown Toronto who need access to apprenticeship programs. You can constantly talk about funding those kinds of training programs. We have the Hammer Heads program in Toronto, where we take folks from underprivileged areas in downtown Toronto and pay to train those people up to get them ready to go into apprentice programs. If you have some sort of view to the future, you can continue to do that stuff with young people, or any group you decide.

**Mr. Sean Fraser:** Perfect. I think there is probably a minute or so for...

**The Chair:** You have 30 seconds. I don't think you can do much with that.

**Mr. Sean Fraser:** Okay, if I get a chance to come back to you, Mr. LePage, I'll let you think on my question.

**The Chair:** Mr. Hardie, go ahead.

**Mr. Ken Hardie:** What I've gathered so far is that things that are more or less settled in advance of going out for procurement...the more specificity, the better. I also hear that maybe there is an opportunity to leave some things open to allow the bidder to be a little creative, to come up with new ideas, etc. What is the right balance here? How specific would a call for proposals have to be in order for you to come up with that apples-to-apples comparison between the bids?

**Mr. Michael Atkinson:** Maybe I can answer it this way. Depending on what project delivery method PSPC has decided is best suited to the procurement of the asset or infrastructure they are looking at, that would then give you the opportunity to see to what extent the community benefit aspect of that could also be a little more flexible. That decision is always made by PSPC at the outset, depending on what the infrastructure is. Are we going to design it completely and just go out for a price? Are we going to go out to the industry and ask them to design it and build it, and we'll just provide our design concept? Are we going to go to a P3? Are we going to use construction management? That will then dictate to what extent the community benefit element can be defined in the documents. I would suggest that it's the dog wagging the tail rather than the tail wagging the dog in that circumstance.

•(1030)

**Mr. Ken Hardie:** I appreciate that.

Mr. LePage, are there any really notable examples where we've dropped the ball? I caught an allusion early on that perhaps this bill isn't needed because everybody does this already. Is that your feeling, or have there been opportunities missed?

**Mr. David LePage:** I think this bill is essential. I think Mr. Hardie has defined it as creating a platform.

When we see governments, whether municipal or provincial or federal, asking about the social impact that's going to come with this project, they're getting very creative responses from the community and industry working together to come up with creative solutions to address particular social problems.

I think we can look at the successes in Scotland. I think with the emerging international trade agreements, if Canada doesn't have something like Bill C-227, we're not going to be on a level playing field on the side of construction and industry. This is an international trend. Governments are setting these platforms; they're creating these arenas for industry, for construction, and for community to work together with government to use existing spending intentionally to create benefits. I don't think this is going on without the stimulus from government saying this is an important use of our taxpayer money.

**Mr. Ken Hardie:** Is there something in place, credentials or a reputation piece—I don't know exactly what you would call it—that if a bidder wants to come forward they've got something to demonstrate to the proponent that they know how to do this and they've done well in the past? Is there anything like an accreditation or something that the CSR component is a good, solid, robust part of a particular company's way of doing business?

**Mr. Michael Atkinson:** Any time a government says that you have to pre-qualify to bid a project, very often that will be part of the submission to meet the pre-qualification. They'll include that. They'll include for example how many of their people are certified in green technologies, among other things. That's where they would typically do that, particularly because any time pre-qual is required in those circumstances, usually it's more than just price. The PSPC might be looking at the experience of the people they're going to use on the projects. They would look at a number of things. There is an opportunity, depending on the project delivery method.

**Mr. Ken Hardie:** Is there a need for a small-project-small-company strategy here? We keep hearing that the small companies represent the largest employment base in the country, and yet when we think of the things that we've been talking about we think of big projects and big bidders coming in. Is there an opening there? Do we have a chance to innovate here?

**Mr. Christopher Smillie:** Definitely.

At the end of the day, the number one comment from small construction contractors—we've agreed on this before—is that the FTE, the full-time equivalent, isn't there to train. They don't have the ability to do so.

Maybe we can get innovative. For example, in Germany, the government has a pool of apprenticeship supervisors who go around to alleviate the training cost for small contractors, so if you only have three people in your electrical contracting firm, you can't have one or two of them tied up teaching an apprentice. The government funded apprenticeship supervisors to move around and alleviate that cost burden on companies. That small contracting firm could bring in a trainee. There are lots of things we could dig into, absolutely.

**The Chair:** Thank you very much.

Mr. Berthold.

•(1035)

[*Translation*]

**Mr. Luc Berthold (Mégantic—L'Érable, CPC):** Thank you very much, Madam Chair.

I listened with great interest to the comments of our colleague who introduced his bill and to those of our witnesses. I have a lot of questions about the merits of Bill C-227 after what I've heard this morning.

I don't think this bill is being studied in the right place. It really should be studied by another committee. It talks about the rules for awarding contracts by the Department of Public Works and Government Services “for the construction, maintenance or repair of public works, federal real property or federal immovables”. All this is very far from our infrastructure investment plans.

Earlier, you made a comparison with the Ontario government's Bill 6, a very comprehensive bill. It probably enables Ontario to attain the objectives that our two witnesses mentioned, possibly even those of Mr. Atkinson.

The first clause of the explanatory note in Ontario's Bill 6 reads as follows:

The Government, and every broader public sector entity ... must consider a specified list of infrastructure planning principles when making decisions respecting infrastructure.

We see that this bill is comprehensive and helps to attain the objectives related to local economic benefits and hiring apprentices. If you take two quick seconds to read the bill, you'll see that it is indeed very comprehensive.

The bill before us indicates that the minister may seek information. Why does it read, "The Minister may ..."? Shouldn't she always do that? So that is one question.

According to the bill, this information that the minister would request would not enable her to demand accountability once the work is completed. She could do nothing else. She might request information before the work, and then she would ask whether what was promised was what was delivered. However, there is no obligation, no means in Bill C-227 that enables the minister to attain the objectives outlined by our witnesses.

My question is for Mr. Smillie.

Do you think Bill C-227 as drafted will lead to training more apprentices? Should we instead learn from Ontario's example and introduce a more comprehensive bill that would address the coming infrastructure plan?

[English]

**Mr. Christopher Smillie:** If the contractor is required to do certain things by the purchaser of construction, you can be darn sure that they're going to meet the terms of that contract. If we put in consideration of things like apprenticeship ratios or even something as simple as a training plan, you can be darn sure the contractor wants to keep that contract and they don't want to be in violation of it with the signer of the deal. If you don't measure it, it's not going to get done. If you look at sales-people—

[Translation]

**Mr. Luc Berthold:** But this bill does not make it possible to intervene directly.

[English]

**Mr. Christopher Smillie:** This is the start of a conversation—

[Translation]

**Mr. Luc Berthold:** It does not force the minister to act.

[English]

**Mr. Christopher Smillie:** You asked me a question, so let me finish it.

[Translation]

**Mr. Luc Berthold:** Yes, but if you want to finish, answer the question and do not draw parallels.

[English]

**Mr. Christopher Smillie:** This is the start of a conversation about this issue and I think the Ontario legislation was one way to go; this is another way to go. The Government of Canada could put in government legislation on this, if it so wishes. Frankly, the minister could table legislation tomorrow on this file and I think it would be passed. The ability to talk about this bill, in this committee, I think is valid, so let's do that. You're right, though, the government could do whatever it wants to do and go from there.

[Translation]

**Mr. Luc Berthold:** The government can basically do what it wants all the time, we are clear on that. Having said that, we have before us a private member's bill. It indicates that we should inform ourselves about what is happening. If this is so important, why is the government not introducing a real bill? A \$120-million infrastructure plan over the next 10 years was announced, yet the interest in local communities would lie in a bill introduced by an MP.

This bill includes no obligation for the government to put more emphasis on the social portion of infrastructure plans. My question has to do with that. First, is the bill in the right place? Next, don't you think that the government's intent, if it is real, should be reflected in a more comprehensive bill, as is the case for Ontario?

[English]

**Mr. Christopher Smillie:** I couldn't possibly speak for what the government wants, but as a stakeholder, we think this is an important first step, even having the contractor partners at the table today. I think it would be important to ask the Government of Ontario what their opinion has been so far. This committee should call them to speak.

Also, I think it would be valuable for you to call purchasers of construction, like big oil companies that have done this on their own accord, to ask why they've done it and what their results have been. We would definitely support those conversations, but you'd have to ask the government their own opinion on this file. I couldn't possibly comment.

• (1040)

**The Chair:** Thank you very much, Mr. Berthold.

Mr. Badawey.

**Mr. Vance Badawey:** I'm going to continue our discussion from earlier and dig in a bit deeper on the matrix. I'd like to get your opinions on what should be involved in a matrix as well as what should be weighted and how heavily each point you're going to mention should be weighted. Let's talk about examples. Should it go towards a design-bid-build or a design-build? Should the purchasing of steel, for example, be bundled in with other purchases or should there be an individual tender? We know how the steel prices can fluctuate. Should it be aligned with knowledge to an asset management plan? It could be a bridge, a road, a building, a municipal project, or any project.

Being handed that plan, what residual benefits can you add through your bid to actually add leverage or value to other financial responsibilities in the future?

I like to hear your comments on that, because when we're taking this to the next step, amendments to this bill may be needed, which we can actually make at this committee. I say this because, unfortunately with the previous building Canada fund in the last session, this wasn't dealt with, and as a municipal mayor, I've seen those holes. A lot of times those created an inequity in where those funds were going, and quite frankly, a lack of return on the investments that were being made. That's what we're looking for here. We're looking for accountability, return on investment, and ensuring that as much leveraging as possible for every dollar that we spend can happen not just the day of or the year after but possibly even for generations to come.

**Mr. Christopher Smillie:** Just quickly, I would put those into two buckets. The first bucket would be economic benefits. The second would be social buckets. Then you'd have to break it from there. In the economic bucket, you'd talk about how and what you want; and then in the social bucket, it would be who you want. How those would be weighted is debatable, but those are the two key categories that I would put them in—economic and social.

**Mr. Michael Atkinson:** Well, first of all, I suppose we're now not talking about C-227, because you mentioned the building Canada plan. It doesn't apply to that. But if I were to speculate, if it were to apply to the building Canada plan, the decision as to which delivery method to use would be up to the procuring government, so it would be a province or municipality in those circumstances. They are the ones best suited and best positioned to make a decision on how best to deliver that infrastructure in accordance with their asset management plan; I couldn't agree more with you. The community benefit aspect or how bidders might be able to leverage that is going to be determined by, in the case of a municipal project, the municipality. It is best positioned to understand its community and how that new piece of infrastructure and its construction can provide further and additional benefits. A community expects that; it puts it in its requirements and that becomes part of the contract. That's the way it would work in those circumstances.

I couldn't agree more with Mr. Smillie that what wouldn't work is having a voice from above, from the federal government, saying, "Community benefits shall be for all municipalities." I'm sure municipalities themselves would have a problem with that because of their different needs and their different requirements.

I would see that decision being made by the procuring agency in those circumstances.

**Mr. Vance Badawey:** Absolutely, and I couldn't agree more. To qualify your comment with respect to the building Canada fund, it's basically about getting a return on the investment of any dollars that are coming out of the federal government, whether through the

building Canada fund or through any other processes and/or private programs we have in place.

I want to go back to Mr. Smillie's comment, because he hit it right on the head. This is all about a triple-bottom-line lens. The triple bottom line, of course, is economic, environmental, and social. That enables us to look through that lens, of course with the proponent actually articulating within the bid document that it will be hitting those three points to get the best value out of the dollars that are being spent.

I'd like to turn it over to Mr. Fraser now.

**Mr. Sean Fraser:** Madam Chair, is there any time left?

**The Chair:** Yes, there is still two minutes.

**Mr. Sean Fraser:** Okay. I'll try to be fairly quick then.

With regard to the bill, we talked a lot about metrics but we didn't really get into it in sufficient detail. The only mandatory portion of the bill is that the minister must report to Parliament. Is the appropriate place for the minister to lay out the metrics regarding what's working and what's not working a report to Parliament?

• (1045)

**Mr. Christopher Smillie:** I think that's an activity that would happen after the fact. A whole lot of work would go in a year before a minister would come to Parliament and say this is what's happened. I think the reporting function is to try to create accountability and keep focus on those activities, but the bill doesn't specify the work in behind, and to us, that's the important part. As far as the report to Parliament goes, you might not be watching CPAC that day and you would miss it, but it's about accountability and transparency.

**Mr. Sean Fraser:** Sure.

Mr. Atkinson.

**Mr. Michael Atkinson:** I would agree it would be Parliament because it's taxpayers' dollars. In particular, if funds are being diverted away from the actual asset itself for some other purpose, I think it's doubly important that taxpayers hear that it was successful and did have a return on investment.

**The Chair:** Thank you very much to everybody.

Mr. LePage, Mr. Atkinson, and Mr. Smillie, thank you very much for your contributions today. Our time is up, but I think it has been a very interesting conversation for everyone as we go forward in reviewing C-227.

Thank you, folks. Have a good day.

The meeting is adjourned.





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