**March 18, 2025**

Presentation to: Mayor Scott Gillingham, Chair
Members, Executive Policy Committee

From: Chris Lorenc, B.A., LL.B., President & CEO, MHCA
Darryl Harrison, Dir. Stakeholder Engagement & Advocacy, WCA

Subject: Item 4 – 2024 Sustainable Procurement Action Plan Annual Report

The Manitoba Heavy Construction Association and Winnipeg Construction Association are pleased to speak in support of the vision of the City of Winnipeg's Sustainable Procurement Policy and Action Plan.

The heavy civil and the ICI construction industries have historically been, and continue to be, the landing pad for individuals across the diversity of our community looking for a foothold in the labour force. These are the same individuals at the centre of the Social Procurement Action Plan's objective – to leverage the City's $400 million+ in purchasing power to share social and economic benefits among equity-deserving communities.

As evidence of the industry's diversity, we point to the Annual Report's finding, set out on Page 13, which indicates employment of equity groups (hours worked) at rates far exceeding representation in the general population.

We are natural allies and willing partners in the Policy's implementation and have, since 2022, been engaged as active members of the Social Procurement Advisory Table with Administration and social enterprise representatives.

Our participation has always aimed to ensure the initiatives of the Action Plan

- are practical and reflect the reality of the construction market
- help the industry to recruit, train and retain individuals prepared to learn on the job
- aim to offer individuals not just a job for a season's payroll, but a rewarding, well-paid career.

That can be achieved only if the policy is given life through workable 'social procurement' requirements embedded in construction tender and contract language.

Accordingly, the MHCA and WCA have given the following responses to the City of Winnipeg administration responsible for social procurement, touching upon both the Action Plan and the pilot projects undertaken in 2024 and planned for 2025 construction season.

1. Ensure the social value menu clauses embedded in construction tenders and contracts are workable
    a. Contractors in 2024 were unable to track and report percentage hours worked by equity-identified employees due to general low response rate to the City's voluntary, self-identification form
    b. Contractors, therefore, estimated percentages based on knowledge of company-wide workforce and crews assigned to specific projects
    c. Contractors could not verify data and outcomes on a project-basis, confounding City analysis of the Social Procurement pilot
2. Craft policy and action plans that advance and recognize efforts **at a company level** to recruit, train and retain a diverse workforce
    a. Winnipeg is an outlier in the sustainable procurement policies and programs among Canadian jurisdictions, targeting tender language and data collection at a project level

   i. Social procurement requirements in most jurisdictions are non-prescriptive and require reporting on recruitment, hiring, training and advancement **policies at a company level**
   ii. ***"Social procurement clauses in tenders are most successful when they are non-prescriptive, collaborative in nature and reflective of the community and marketplace context."*** – Buy Social Canada research (NEWPCC info session May '24)

b. Collecting data at a project level is complicated and impractical due to frequently changing workforce – some new hires do not stay beyond a few weeks -- and shifting crew assignments
   i. Administrative burden resulted due to the requirement to meet target commitment and the nature of managing crews at worksites

We strongly urge that all Action Plan goals and initiatives use workable, practical measures to advance the employment of diverse groups in our community, for lasting career and economic advantage, which benefits successive generations and our whole community.

Finally, the MHCA and WCA are concerned about the lack of political oversight of the progress of the Sustainable Procurement Policy and Action Plan. At present, administrative reports are submitted to EPC as information, only.

We respectfully suggest the Sustainable Procurement Action Plan be given political leadership, to provide support and assist in direction. To that end, MHCA and WCA recommend that, flowing from EPC's consideration today:

1. EPC and City Council assign oversight of the policy and its implementation to a Standing Policy Committee to ensure appropriate checks and balances and to again ensure successful implementation of the policy

Respectfully submitted,

Chris Lorenc, B.A., LL.B.,
President & CEO, MHCA

Darryl Harrison
Dir., Stakeholder Engagement, WCA

cc. MHCA Board of Directors; WCA Board of Directors