

Questions and Answers – Community Benefits Agreement

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General

What is the Community Benefits Framework? How does a labour agreement fit into this framework?

- The BC government is currently developing a community benefits framework that will benefit B.C. workers, people and communities through the delivery of provincial public infrastructure projects.
- The framework will deliver good paying jobs and increased opportunities for Indigenous peoples, women and young people. It will also mean better apprenticeship and training opportunities and better access to jobs for B.C. residents.
- With this agreement we're not just investing in roads, bridges and other infrastructure, we're investing in good jobs and new opportunities, and in turn, building a skilled workforce for the future.
- A labour agreement is one approach that can be used to achieve community benefits on specific projects.

What is a Labour Agreement?

- A labour agreement sets and guarantees the terms and conditions of employment that will apply to the workforce used to deliver select major infrastructure projects.
- It typically includes terms that define wages, benefits, hours of work, dispatch rules, training and apprenticeships, jurisdictional procedures, grievances, and safety and working conditions, and it

includes trade sections for each of the unions who are part of the agreement.

- The labour agreement that has recently been signed with the affiliation of Building Trades unions is called a “Community Benefits Agreement” or “CBA”.

How does a Labour Agreement work?

- The labour agreement (Community Benefits Agreement or CBA) will be included as part of the procurement as a mandatory requirement for any contractor bidding on the opportunity.
- The successful proponent, their workers and any of their contractors must comply with the terms of the CBA for supplying the workforce for the project.

How are community benefits incorporated into a CBA?

- Generally, the CBA sets out employment provisions that will achieve benefits for people on publicly funded infrastructure projects.
- There will be provisions for hiring qualified local and Indigenous workers first, as well as underrepresented groups, apprentices and women in trades. CBAs also include provisions for aligned union wages, and to ensure there are no work stoppages (strikes, lockouts) for the duration of construction.

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Why is government now building major infrastructure using Community Benefits Agreements? Is it important to take a long-term perspective when considering the need for community benefits?

- These big projects present a unique opportunity to train up qualified workers in BC and deliver projects that provide long-lasting benefits to British Columbians and their communities.

By ensuring there are training and apprenticeship opportunities on big projects, we're ensuring there will be skilled workers who can build these projects in the future, especially when our economy is booming.

- Over the next 10 years, approximately 100,000 job openings are expected in the trades, transport and equipment operators sectors, and the skilled workers who train and apprentice on projects today will be able to fill those jobs in the future.

When will the labour agreement be public? Where? When?

- We're working diligently to finalize the details of the labour agreement. It will be publicly available as soon as possible.

Will the workforce terms be binding on all public infrastructure projects?

- When our government builds new projects, there should also be benefits to the people and community where the project is located.
- Initially, the CBA will apply to a select suite of infrastructure projects, including the Pattullo Bridge replacement project, and four-laning projects on the Trans-Canada Highway between Kamloops and Alberta..
- The application of a CBA will be considered for other major projects in the future.

How is the CBA structured? Is there a master agreement with individual appendices for each project?

The CBA will include:

- A master agreement outlining all employment terms and conditions for providing the workforce for the specified projects;
- Appendices for scope descriptions for the two negotiated projects; and
- Additional Schedules: Addendums for exceptions by project, and trade sections outlining specific requirements related to each trade.

Who are the signatories on the CBA?

- The parties to the community benefit agreement are BC Infrastructure Benefits Inc. (BCIB) on behalf of the Province, and the Allied Infrastructure Related and Construction Council of British Columbia (AIRCC) on behalf of the Building Trades affiliation of unions.
- The agreement will be put into place around July 16th, 2018.

Who are AIRCC?

- The Allied Infrastructure Related and Construction Council (AIRCC) is a coalition of BC Building Trades unions that have formed a legal entity that can sign the Community Benefits Agreement on behalf of their members.

Will the requirements of complying with labour agreements be clearly specified in the RFP and project agreement so Proponents can confidently prepare bids?

- Compliance with the labour agreement will be mandatory for the successful proponent of this opportunity. BCIB will ensure that the agreement is executed as intended.

What projects will the Community Benefit Agreement apply to?

- Initially, the CBA will apply to the Pattullo Bridge Replacement project and an envelope of projects for upgrades to the TCH Hwy1 to the Alberta Border.
- The application of a CBA may be expanded to other sector projects once success is achieved with these projects.
- As part of a broader Community Benefits Framework, the Province will ensure that dollars spent on provincial public infrastructure projects not only provide the best outcome for the project but provide long-lasting benefits for British Columbians and their communities.

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Costs and Risks

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Taxpayers fund infrastructure projects. How much more does this Labour Agreement/Community Benefits Agreement add to the cost of a major project?

- We will make sure that projects deliver lasting benefits for people and communities.
- That means supporting local businesses whenever possible, creating good paying jobs for people, and providing an opportunity to train and apprentice workers.
- There may be some small cost increases initially while contractors become familiar with the system, but we believe that the benefits to communities will be felt immediately and will far outweigh any initial cost increase.

Background:

- Government sets the budget for projects and CBAs are part of that. CBAs are the best way to deliver projects on time, on budget and with lasting benefits for British Columbians.
- The cost will vary depending on the nature of the project work across sectors. I.e. Road works versus structural work.
- We anticipate any additional costs will decrease over time as contractors become familiar with the model.

What are the benefits of a Labour Agreement and the value to the taxpayer from using this model?

- The community benefit agreement creates more opportunities for British Columbians, supporting local workers with good jobs and training the next generation of workers.
- CBAs ensure predictable wage costs and clear safety and training investments. Because these are known up front, CBAs are more transparent and accountable, and people know what their wages will be and that they will be safe and protected on the work site.
- CBAs ensure that work can continue on major projects without being disrupted by strikes or lockouts.

- A labour agreement also creates training and employment opportunities for locals, Indigenous people and traditionally under-represented groups in the skilled workforce.

Indigenous and Equity

How will women and under-represented groups be considered in the Community Benefits Agreements?

- Our government is working to build B.C.'s next generation of workers. That includes creating opportunities for workers across B.C. and growing apprenticeship opportunities for women and underrepresented groups.
- There will be prioritized hiring, training and apprenticeships for Indigenous and equity groups.
- 'Equity Group ' is defined in the CBA as an inclusive term referring to women in non-traditional work, people with disabilities, and other traditionally under-represented groups in the construction workforce.

Will there be quotas for hiring women and Indigenous people?

- No.

How will the needs of Indigenous peoples be accommodated?

- The CBA is intended to provide opportunities for Indigenous peoples that addresses impacted First Nations on specific projects, consistent with UNDRIP and government's new guiding Principles.
- The process of consulting directly with impacted First Nation groups to determine resulting accommodation measures will continue, and will not be impacted by the application of a labour agreement.
- The labour agreement represents an opportunity to provide benefits to Indigenous peoples affected by major infrastructure projects.

How will this affect Indigenous peoples?

- Indigenous peoples will have priority access to hiring and training opportunities on in- scope projects.

What are equity groups?

- 'Equity Group ' is defined in the CBA as an inclusive term referring to women in non-traditional

work, people with disabilities, and other traditionally under-represented groups in the construction workforce.

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Scope

What projects will the labour agreement apply to? Will the labour agreement apply to all government projects?

- This new framework will invest in good jobs and new opportunities for people who live in BC, so local people can be first in line for good jobs building the roads, bridges and other infrastructure we need.
- Initial early adopter projects in scope for CBAs are the Pattullo Bridge Replacement project and some four-laning projects for TCH Hwy1 to the Alberta Border.

Is there a size or cost threshold for a project for application of the Community Benefits Agreement?

- Each major infrastructure project will be assessed on an individual basis as part of the business planning and approval process.
- Capital projects will be assessed on a case by case basis by Treasury Board and Cabinet to determine if a CBA should be used.
- The broader Community Benefits Framework will establish a formal process to be applied to future public sector infrastructure projects.

Will each new project added need to be approved by Cabinet?

- Yes. Each new project to be included in under the Community Benefits Agreement will need to be approved by Cabinet.
- New projects can be added to the CBA by way of added schedules to the agreement. Any new projects can be added based on mutual agreement without renegotiating the master agreement.
- The CBA has been designed to accommodate different types of project work, and adding new projects should not be an onerous process. For example, construction of a hospital project is very different from road building, with different trades involved, and unique circumstances to consider.
- The agreement has been designed so that the master terms can stay the same, while new project scopes and exceptions can be incorporated by way of appendices and schedules without re-negotiating the entire labour agreement.

Union / Non-Union / Contractor

Will this Labour Agreements restrict who can bid on public infrastructure projects?

- No. Any proponent can bid on these projects regardless of union affiliation.
- This Community Benefits Agreement means that going forward, procurement processes will consider not only value for money, but also focus on creating tangible social and economic benefits to communities from this investment.
- The labour agreement has been designed to maximize the number of bidders on in scope projects. The Pattullo bridge project will be subject to a pre-qualification process, and is of a size that creates interest among local and international contractors.
- We expect to see significant competition for this project.

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Will non-affiliated workers be excluded from the workforce by the labour agreement?

- No. The intent is to provide opportunities to as much of the workforce as possible, and make sure that everyone gets an opportunity to participate in the construction job market, regardless of union affiliation.
- After 30 days on the jobsite, non-union workers will be required to join the union.

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Specific Terms of LA

What are the main components that were negotiated as part of the labour agreement?

- Key terms of the labour agreement include:
 - No strike / lockout – prohibiting work stoppage
 - Apprenticeships – target ratios
 - Training – leveraging existing training, promoting access to training
 - Priority Hiring – process for accessing available labour
 - Dispatch – requirements for dispatching employees
 - Indigenous peoples and equity groups – process to promote employment and development
 - Management rights – hiring, directing, promoting, demoting, etc
 - Representatives and Stewards – assignment of representative individuals
 - Grievances – process to manage differences and disputes
 - Jurisdictional procedures – rules and assignment of work on site, including composite crew
 - Hours of Work / Scheduling

- Wages, Increases and payment – trade-specific schedules and process for increases
- Minimum pay and reporting time
- Vacation and Holidays
- Funds – contributions to health and safety, skills plans, etc.
- Union Membership and Dues
- Board, lodging and travel – living out allowances and transportation
- First Aid and Safety
- Camp standards and lock-up conditions – safety of tools onsite
- Special conditions – lunchrooms, protective clothing, discrimination and harassment
- Permitting – process to work onsite without entering into agreement with employer

How will this agreement benefit apprentices?

- Apprenticeship ratios will be part of the Agreement.
- We worked with industry, employers and others to determinate an effective apprentice work-hour ratio of 25% over three years on gov't funded construction projects valued at \$15 million or more.
- A ratio based on hours worked will provide more opportunities for people who want to work in the building trades, assist in developing our future workforce and maximize the value of gov't spending.

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How many more apprentices do you estimate will be hired because of the ratio?

- The new policy is expected to create about 500 more opportunities a year for apprentices.

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How does this agreement ensure more training for B.C. workers?

- There is already a vast variety of training programs available to B.C. workers, funded by federal and provincial governments, and on site by contractors.
- The new Crown Corporation will assist B.C. workers with finding and accessing existing training. This allows government to leverage existing investments.
- BCIB will also be involved with coordinating assessments of existing training to determine if net new training is required. If required, the new Crown Corporation will coordinate the development of project specific training.

Will all labourers with a similar skill set be paid the same, regardless of the project or project's location?

- Wage scales for workers on the project are established and standardized for each trade and skill set.

Can labourers from out of Province work on these major B.C. infrastructure projects?

- Yes, there is a hiring process that prioritizes the use of different sources of labour, which allows government to access workers all across Canada.

Negotiation Process

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Will there be other opportunities to provide input into workforce terms and/or the community benefits framework?

- There is every expectation that there will be opportunities for further input by multiple audiences into the broader policy work.

Employer Entity

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What is the name of the new Crown Corporation?

- BC Infrastructure Benefits Inc. (BCIB)

What is the mandate of BCIB?

- The mandate of the new organization will be to provide the labour workforce for the construction of select government infrastructure projects delivered under an owner negotiated labour agreement.

What type of Crown is this? How is it structured?

- This new organization is being created as a Business Corporations Act crown corporation.
- Interim board members will be composed of government executive, who will receive a mandate letter from government to establish an independent board of directors as an immediate priority.

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Meeting Note Advice to Minister Melanie Mark

Date: April 10, 2018

Cliff #: 112825

Prepared for: Honourable Melanie Mark

Date, Time of Meeting and Location: April 16, 2018; 3:00pm; Victoria Legislature

Attendees:

- Tom Sigurdson, Executive Director BC Building Trades
- Brynn Bourke, Director of Campaigns and Policy, BC building Trades

Issues:

1. Creating skilled trades opportunities for Indigenous People through residential housing development.
2. Community Benefit Agreements and the status of effective ratios.

Background:

- The BC Building Trades (BCBT) represents 35,000 skilled construction workers from 27 local unions across B.C.
- As a craft union, BCBT affiliates play a significant role in training their members.
- BCBT has over a dozen training facilities and invest over \$100 million each year in training over 7,000 apprentices and trainees.

Discussion:

1) *Creating skilled trades opportunities for Indigenous Peoples through residential housing development*

- Housing continues to be a significant concern for most First Nations communities. BCBT sees housing development in First Nations communities as an opportunity for young First Nation and Indigenous people to earn their hands on training towards their apprenticeship.
- BCBT is working to develop a proposal that will focus on how best to bring the need for housing together with the need for training that will benefit First Nations communities.
- BCBT has reached out to Concert Properties, the Industry Training Authority and Chief Clifford White (Kitkatla First Nation; Tsimshian Alliance) to form a partnership and help develop a project proposal. An initial meeting will be held on Thursday, April 19, 2018 to discuss ideas.
- Initial ideas and considerations include:

- Utilizing the BCBT training centres to provide trainers to teach hands on skills (this would happen in the communities where possible)
- Develop a First Nations Housing Corporation with experiential learning including in its mandate
- The First Nations Housing Corporation could become a signatory to Building Trades union to access trades training and skilled members that would become mentors to the apprentices.
- BCBT has reached out to Minister Fraser's office to request someone from MIRR attend the group's initial meeting on April 19 as well as support the group in developing a proposal further.
- BCBT would like to provide the Minister with an overview of the groups initial ideas, discuss ideas the Minister may have around the topic, and gauge her level of support for moving forward.

Suggested Response:

- Thank you for your ideas and commitment to providing trades training opportunities for Indigenous peoples. I look forward to hear more about your work as it progresses.
- Questions for consideration
 - Where would the housing projects take place (is this focused on rural communities)?
 - How would you fund this initiative (how would you secure the land)?
 - What role do you see the Ministry playing?
 - What is the scope (how many students, what regions) and how will this support students and or communities (how would you measure success)?
- As you look at initiative like this you may want to consider the Sector Labour Market Partnership Program which provides funding to support research and planning into sector workforce development initiatives like this.

2) Community Benefit Agreements (CBA) and status of effective ratios

- BCBT would like to share their vision and role for supporting CBAs and would like a status update on the development of effective ratios and they will fit into CBAs.
- The Ministry of Advanced Education, Skills and Training (AEST) held three engagement sessions with key stakeholders to gather advice and guidance on an approach to requiring specified levels of apprenticeship on public projects.
- Ministry staff are now in the process of summarizing the feedback and presenting options for government decision. Implementation of effective ratios is expected in the winter of 2018/19.

- AEST's work to implement effective apprentice ratios for public sector projects is directly linked to the work the Ministry of Transportation and Infrastructure is leading on the Community Benefit Framework (CBF).
- Ministry staff are working closely with Ministry of Transportation and Infrastructure (MOTI) staff to ensure the engagement conducted by AEST informs MOTI's work on the Community Benefit Framework.
- AEST's policy is likely to apply to a broader scope of infrastructure projects than MOTI's framework will cover. AEST's current policy that requires apprentices on public construction applies to projects over \$15 million. AEST expects this threshold would be retained with the new policy, or potentially lowered following further review.

Suggested Response:

- We appreciate the input you provided in the engagement sessions. We will ensure that we continue to work closely with the BC Building Trades as we move forward.

If BC Building trades presents new policy recommendations on apprentice ratios that were not shared as part of the 3 stakeholder engagement session.

- We appreciate your input. The purpose of the three engagement sessions was to collect this type of input and to share it with other stakeholders in the system so that they were informed and we could all participate in the discussion.
- We will consider what you have provided today.

Contact: *Bindi Sawchuk, ADM, LMID (250) 216-0346*

CBA meeting – ADM/DM update – Advice to Minister | May 3, 2018

- MOTI met Wednesday with representatives of the “Allied Infrastructure and Related Construction Council of BC” (“the Council” — labour/Building Trades representatives on the Community Benefit Agreement discussions). Representatives from industry contractors were also present to provide advice to government on the practical implications of the topics being discussed.
- Government representation is led by MOTI, with a private sector labour lawyer, and supplemented by other ministry/government representatives as needed on areas of expertise, including BC Hydro, MIRR and AEST.
- The Council has presented government with a template “Community Benefits Agreement” document that proposes collective agreement-style language covering hiring, employment, wages, classifications, qualifications, and other related topics.
- The template also proposes language on “community workforce benefits”, including priority/equity hiring, training, Indigenous peoples, a Public Infrastructure Training Fund, and the establishment of a coordinating committee for community workforce benefits.
- Key of interest for AEST include discussions on trades qualifications, apprenticeship ratio, Public Infrastructure Training Fund, and equity hiring targets.
- Government and the union Council will be refining language in the clauses over the coming days in the interest of reaching agreement on workforce terms. Once the parties at the table have reached an agreement in principle, the agreement will be reviewed for ratification by government and the full union Council.

AEST areas of interest

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- **Recommendations**

- Recognize in the CBA template preamble a shared commitment to effective apprenticeship training to develop the future workforce and to maximize the value of government spending on infrastructure projects.
- Draft clauses for the body of the agreement that reference the ongoing development of an effective apprentice ratio for government funded infrastructure, and confirm that the policy as developed and approved will be adopted for projects under the CBA agreement.

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- JTTs local hiring framework does not recommend hiring targets (quotas) or geographic restrictions. Geographic restrictions in particular have notable trade implications.
- AEST will be doing more work on this topic in 2018-19 and doesn't have a strong policy recommendation at this time. AEST's stakeholder engagement saw mixed feedback on the prospect of targets.
- Different projects will be sited in different regions with different workforce and local labour market needs. The specific targets may not be suitable to the labour market and there is high risk the targets would not be met.

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Community Benefit Framework – timelines and update

- TRAN will be starting the Community Benefit Framework negotiation process this week.
- Vancouver labour lawyer Barry Dong (from Harris) is on contract to act as the lead negotiator for the Province.
- The Province's team will also consist of staff from TRAN and BC Hydro.
- Labour will be led by BC Building Trades and representatives from building trades unions.
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- There will be two phases to the negotiations:
 - Phase 1 with all three parties to establish the framework, and
 - Phase 2 with government and BCBT to negotiate the project labour agreement
- Expected Timing:
 - April 26 - Kick-off meeting
 - April 30 - May 4 – Government-Labour-Industry meetings to establish framework for the project labour agreement contract terms.
 - May 7-18 – break for government to develop formal negotiating positions and proposals
 - May 21-June 1 – Government-Labour meetings to negotiate project labour agreement for the Pattullo project.
- TRAN's intent is to establish project specific agreements for the Pattullo Bridge and Trans-Canada Highway project. When asked if they would negotiate a new agreement for each project, staff didn't expect to – therefore, this negotiation may be setting a master agreement.
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- Targets Labour is expected to want included in a CBA include:
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Community Benefit Agreement Training Funds

Considerations of the template language

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Example Models

1. UK Training Levy

- In 2017, the UK implemented significant changes to the administration of apprenticeship training funds.

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