

From: [Blakely, John H LBR:EX](#)
To: [Hughes, Trevor LBR:EX](#)
Subject: Community Benefits Framework - Latest Powerpoint
Date: Wednesday, April 11, 2018 4:33:08 PM
Attachments: [CBF - Apr10 WG Meeting Slide Deckpdf.pdf](#)

Trevor, fyi, here is the most recent presentation from the Community Benefits Framework team – reporting out on some decisions and next steps flowing from their recent visit to Cabinet. If you need any additional background or information on this, please let me know.

Thanks

John Blakely
Executive Director, Labour Policy and Legislation
Ministry of Labour
Office: 250-356-9987
Mobile: 250-415-1094

Page 002 to/à Page 017

Withheld pursuant to/removed as

s.12;s.16;s.13;s.17

From: [Willow, Vicki TRAN:EX](#)
To: [Hughes, Trevor LBR:EX](#)
Subject: CBF Mar1 Cab Slide Deck DraftV12.pptx
Date: Thursday, February 22, 2018 10:38:36 AM
Attachments: [CBF Mar1 Cab Slide Deck DraftV12.pptx](#)

Morning Trevor,

As per my conversation with Grant, attached is latest version of the slide deck.

Murray and I will be briefing POs office at noon.

Cheers,

Vicki

Page 019 to/à Page 050

Withheld pursuant to/removed as

s.12;s.16;s.13;s.17

Page 051 to/à Page 071

Withheld pursuant to/removed as

s.14;s.13;s.17

Cooling, Karen LBR:EX

From: Gee, Susan GCPE:EX
Sent: Monday, July 16, 2018 5:14 PM
To: Cooling, Karen LBR:EX
Cc: Hughes, Trevor LBR:EX
Subject: MESSAGING - COMMUNITY BENEFITS AGREEMENT
Attachments: 2018PREM0057-001406.pdf; ATT00001.htm; CBA QA - CLEAN.docx; ATT00002.htm

Importance: High

Hi Karen – attached please find the messaging for the Community Benefits Agreement. These have been sent to us by Transportation Communications - SG

From: Robb, Katie GCPE:EX
Sent: July 16, 2018 4:59 PM
To: Gee, Susan GCPE:EX
Subject: Fwd: Final CBA comms package

Here you go!

Katie Robb
Communications Director | Ministry of Transportation and Infrastructure
Government Communications & Public Engagement
M: [250.920.8371](tel:250.920.8371)

Begin forwarded message:

From: "Bowness, Lianne GCPE:EX" <Lianne.Bowness@gov.bc.ca>
Date: July 16, 2018 at 11:16:48 AM PDT
To: "Main, Grant TRAN:EX" <Grant.Main@gov.bc.ca>
Cc: "Verwoord, Cindy TRAN:EX" <Cindy.Verwoord@gov.bc.ca>, "Lewthwaite, Jennifer TRAN:EX" <Jennifer.Lewthwaite@gov.bc.ca>, "Lowe, Sonia GCPE:EX" <Sonia.Lowe@gov.bc.ca>, "Robb, Katie GCPE:EX" <Katie.Robb@gov.bc.ca>
Subject: Final CBA comms package

Lianne Bowness | Communications Manager
Government Communications and Public Engagement
Ministry of Transportation and Infrastructure
Direct: 250-356-7707
Cell: 250-889-1336

NEWS RELEASE

For Immediate Release
2018PREM0057-001406
July 16, 2018

Office of the Premier
Ministry of Transportation and Infrastructure

New framework ties major projects to benefits for workers and communities

BURNABY – A new, landmark agreement for key public-sector infrastructure projects in B.C. will deliver good-paying jobs, better training and apprenticeships, and more trades opportunities for Indigenous people, women and youth around the province.

“British Columbians rightfully expect B.C. projects to benefit B.C. workers, families and communities. Our new Community Benefits Agreement will help deliver those benefits,” said Premier John Horgan.

“With this agreement, we’re not just investing in roads, bridges and other infrastructure, we’re investing in good jobs and new opportunities for people who live in B.C. And with our focus on expanding apprenticeships for young British Columbians, we’re helping build B.C.’s next generation of construction workers.”

Highlights of the agreement include:

- A targeted approach to maximizing apprenticeship opportunities on major public-infrastructure projects.
- Focus on priority hiring and training of Indigenous peoples, and women.
- Co-ordinated access to existing training programs, while identifying and addressing skills gaps.
- Priority hiring for qualified individuals that live within close proximity of the projects.
- Hiring flexibility for contractors, who can request named hires.
- Wage alignment to prevailing industry rates to promote good wages for all employees.

The first projects to be delivered under the new community benefits framework are the new Pattullo Bridge, and the four-laning projects on the Trans-Canada Highway between Kamloops and Alberta. The request for qualifications (RFQ) for the Pattullo Bridge Replacement Project has been released.

“British Columbians deserve the opportunity to work on major government projects being built in and near their communities,” said Claire Trevena, Minister of Transportation and Infrastructure. “This Community Benefits Agreement will put local people first in line for good jobs building the roads, bridges and other infrastructure we need.”

Under government’s new Community Benefits Agreement, a diverse and qualified workforce will be supplied for select major public infrastructure projects through a newly created Crown corporation, BC Infrastructure Benefits Inc. (BCIB). BCIB will hire the project’s construction workers, and will work with unions and contractors to dispatch labour, as well as manage payroll and benefits.

"We continue to work with Indigenous groups and women in trades to expand apprenticeship and employment opportunities," said Tom Sigurdson, executive director, BC Building Trades. "Under a Community Benefits Agreement, these initiatives will translate directly into apprenticeship completions, which, in turn, will allow B.C. residents to support their families, to invest in their communities, and to build the B.C. economy."

Signatories to the Community Benefits Agreement are BCIB, and the Allied Infrastructure and Related Construction Council (AIRCC), which represents many of B.C.'s building trades. Contractors representing B.C.'s construction industry played an important advisory role as the agreement was developed.

Two backgrounders follow.

Contact:

Media Relations
Government Communications and Public
Engagement
Ministry of Transportation and Infrastructure
250 356-8241

Connect with the Province of B.C. at: news.gov.bc.ca/connect

BACKGROUNDER 1

For Immediate Release
2018PREM0057-001406
July 16, 2018

Office of the Premier
Ministry of Transportation and Infrastructure

Key benefits of labour agreement

The Community Benefits Agreement allows government to make sure that local people and communities get long-lasting benefits from public investments into major infrastructure projects, while maximizing the number of contractors that can bid on major infrastructure projects.

Key benefits of the negotiated labour agreement include:

Apprenticeships:

- Increased apprenticeships in the skilled trades is essential to the development of British Columbia's workforce.
- Targets will be aligned with the Government Apprenticeship Policy to maximize work-based training and opportunities to grow the skilled workforce.

Training:

- The development of construction skills for persons other than the Red Seal apprentices is essential to the development of British Columbia's workforce.
- Wherever possible, existing government training programs and services will be leveraged. Training needs will be assessed for each project, and a process will be established to co-ordinate the development of new training where gaps exist, in collaboration with training partners and building trades councils, as required.

Indigenous and under-represented groups:

- This agreement provides incremental and prioritized opportunities for the participation of Indigenous peoples and other traditionally under-represented groups on government infrastructure projects, in a safe environment that is free from discrimination and harassment.
- Government has an existing consultation and accommodation process to address impacted Indigenous considerations on projects. This process will continue and not be impacted by the implementation of a labour agreement.
- In addition, Indigenous peoples, women, and other traditionally under-represented groups will now have priority access to employment and training opportunities.

Local people and businesses:

- When local workers have greater access to work opportunities in their communities, local people can in turn build, invest and stay in their communities.

Wages:

- Wages have been negotiated to align with industry wages, based on prevailing construction rates.
- This provides good-paying jobs to workers on these projects, and provides cost certainty to government.

Contact:

Media Relations
Government Communications and Public
Engagement
Ministry of Transportation and Infrastructure
250 356-8241

Connect with the Province of B.C. at: news.gov.bc.ca/connect

BACKGROUNDER 2

For Immediate Release
2018PREM0057-001406
July 16, 2018

Office of the Premier
Ministry of Transportation and Infrastructure

New Crown agency to help build B.C. infrastructure

A new Crown corporation called BC Infrastructure Benefits Inc. (BCIB) has been created under the *Business Corporations Act*. It will act as signatory and the employer entity for the Community Benefits Agreement. The minister responsible is Claire Trevena, Minister of Transportation and Infrastructure.

A full governance body will be established as a priority for the new organization. The organization is expected to be fully operational in fall 2018.

The broader Community Benefits Framework will remain with core government. The mandate of BCIB is to provide the labour workforce for the construction of select public-sector infrastructure projects, delivered in accordance with terms and conditions of the Community Benefits Agreement.

Contact:

Media Relations
Government Communications and Public
Engagement
Ministry of Transportation and Infrastructure
250 356-8241

Connect with the Province of B.C. at: news.gov.bc.ca/connect

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

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. Ie. 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.

s.13

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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s.13,s.16

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

s.13

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.

s.13,s.17

s.13

Cooling, Karen LBR:EX

From: McCaffrey, Julianne GCPE:EX
Sent: Thursday, August 23, 2018 3:54 PM
To: Cooling, Karen LBR:EX
Cc: Cheevers, Michael LBR:EX
Subject: CBA

The minister noted today s.13 : messaging on the CBA.

Might this help?

Top Lines:

- 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.
- British Columbians rightfully expect B.C. projects to benefit B.C. workers, families and communities.
- With this model we're not just investing in roads, bridges and other infrastructure, we're investing in good jobs and new opportunities for people who live B.C.
- And with our focus on expanding apprenticeships for young British Columbians, we're helping build B.C.'s next generation of construction workers.

Claim: The CBA adds \$100 million to the \$1.377-billion budget for the Pattullo Bridge.

Fact: An estimated increase of 4-7% is already included in the Pattullo budget. The increased cost helps pay for the goal of 25% apprenticeship hours over three years. Because of the higher number of apprentices, more full-time staff are needed onsite to reach full productivity. While this means an investment upfront, the long-term economic benefits of training the next generation of skilled workers far outweigh the costs. Without the 25% apprentice target, there are few incentives for employers to train apprentices — one of the causes of the skilled worker shortage B.C. is facing.

Claim: Project labour agreements (PLAs) are unsuccessful and drive up costs for taxpayers.

Fact: Agreements like this have a successful track record and have been used for decades in British Columbia and many other jurisdictions. For example, since 1963, 17 BC Hydro dams have been built using project labour agreements. Every project was constructed on time and on budget.

Agreements like this have also been used by private industry, including the Kitimat Modernization Project, which upgraded the Rio Tinto Alcan aluminum smelter. This project used a PLA signed between the bargaining council of the BC Building Trades and Bechtel. Roughly 7-15% of workers were First Nations, and the project saw a ratio of 23-26% apprentices on the job.

Project labour agreements are common in other jurisdictions, including California. The Los Angeles School District is currently \$21 billion into a \$28-billion building program through a project stabilization agreement with the building trades. A PLA is also being used on parts of a multi-billion dollar improvement program at Los Angeles International Airport (LAX). The PLA has an objective of 30% local worker participation and includes a community workforce development system to prepare workers for skilled-labour careers.

Claim: The low-bid model is a better deal for taxpayers.

Fact: Under the previous government, projects often ran over budget using this model. For example:

- In 2005, the Port Mann Bridge was estimated to cost \$1.5 billion. When all construction was completed in 2015, it cost \$3.3 billion (\$1.8 billion over budget).
- When BC Hydro's Northwest Transmission Line was first proposed, it was estimated at \$404 million, but the final cost was \$716 million (\$312 million over budget).
- The BC Place roof and renovations were originally estimated at \$365 million. The final cost was \$514 million (\$149 million over budget).
- The Vancouver Convention Centre, originally budgeted at \$565 million, ended up costing taxpayers \$900 million. (\$335 million over budget).

With CBAs, wages are locked in for the duration of the project and no strikes or lockouts can take place. These predictable labour costs help ensure projects are completed on time and on budget.

Claim: Only union contractors can bid on CBA projects.

Fact: CBAs allow all contractors to bid, whether they are union or non-union. CBAs allow contractors to bring all of their existing supervisors and most, if not all, of their workers. CBAs are good for local and small contractors because they level the playing field with known wage rates and access to qualified skilled trades workers, allowing more contractors to bid. Recent examples show that non-union contractors will bid on projects with this type of agreement. 50% of the contractors participating in the Los Angeles School District's project stabilization agreement are non-union and 42% of all contractors are small businesses.

Claim: Non-union workers will be cut out from working on government projects.

Fact: Although workers must join a union while they work on the project (as is the case with all unionized worksites in B.C.), they do not need to be unionized before or after working on the project. No contractors are restricted from bidding on projects. Any contractor may bid, regardless of whether or not their workers are unionized.

Claim: According to the Independent Contractors and Businesses Association of BC, 85% of the construction workforce chooses not to be affiliated with the BC Building Trades unions.

Fact: This figure is misleading, as it includes both non-residential and residential construction workforces. The residential construction workforce does not work on major infrastructure projects. CBAs only cover non-residential construction projects like roads and bridges, which require specialized workers, such as pile drivers and structural ironworkers.

Every labour market analyst tracks residential and non-residential labour supply separately. These non-residential trades are unionized at a far higher rate than the residential construction workforce. There are 69,000 non-residential construction workers in British Columbia, according to Build Force Canada's 2018 Construction Outlook. The BC Building Trades is the largest supplier of labour in the Province of British Columbia. With 40,000 members, it represents more than 58% of the non-residential construction sector.

Claim: There is no public policy rationale for requiring workers to become union members.

Fact: A unionized workforce significantly increases the number of skilled workers trained on a project. BC Building Trades apprenticeship graduation rates are 85% on average — the highest completion rates in the industry. Training more apprentices will address B.C.'s significant skilled-labour shortage and help grow the economy. Signing a collective agreement guarantees wage stability over the course of the project, helping deliver it on time and on budget.

In projects with no collective agreements, wage costs can fluctuate unpredictably, causing them to go over budget. Because the demand for skilled labour in B.C. is so high, there is little difference in costs between union and non-union labour. A unionized environment ensures workers are treated fairly, receive equal wages for equal work, and are provided with additional supports, such as a long-standing drug-and-alcohol rehabilitation program for workers.

Cooling, Karen LBR:EX

From: Cheevers, Michael LBR:EX
Sent: Thursday, September 6, 2018 2:05 PM
To: Zimmerman, Emily LBR:EX
Cc: Cooling, Karen LBR:EX
Subject: FW: More on CBA
Attachments: Checklist - Min. Harry Bains September 7 2018.xlsx

Hi Emily,

Issues Management sent us some additional messaging. I've looked through the Myth/Fact part and it appears to be already covered in what Jules put together. However, the first part, highlighted in yellow, s.13
s.13 could be added to the Minister's background/messaging notes regarding CBAs for tomorrow's Chamber breakfast.

I've also attached the guest list. It's worth noting – and fortunate – that there several people the Minister has met with in the past or knows in attendance, like Jay Robinson of the Chiropractic Association, Michael Gardiner, etc.

I'll follow up with Sue to ensure they know you're in attendance as well (you don't appear on the list).

Mike

From: Matthen, Sheila GCPE:EX
Sent: Thursday, September 6, 2018 1:31 PM
To: Cheevers, Michael LBR:EX
Cc: Machell, Aileen GCPE:EX
Subject: FW: More on CBA

Hi Mike,

Aileen thought this would be helpful for MHB tomorrow as well. Feel free to give her a call if you want to chat through this – she's the resident expert on all things CBA related!

-sm

From: Machell, Aileen GCPE:EX
Sent: Thursday, September 6, 2018 1:21 PM
To: Matthen, Sheila GCPE:EX
Subject: More on CBA

s.13

It may also be helpful to provide him with the fact sheet below:

The B.C. government is moving forward with a new, landmark agreement for key public-sector infrastructure projects in B.C.

The Community Benefits Agreement (CBA) will deliver good-paying jobs, better training and apprenticeships, and more trades opportunities for Indigenous people, women and youth around the province.

The first projects to be delivered under the new community benefits framework are the new Pattullo Bridge and the four-laning projects on the Trans-Canada Highway between Kamloops and Alberta. Other major capital infrastructure projects will be assessed on a case-by-case basis as to whether and how community benefits will apply.

Claim: the CBA adds \$100 million to the \$1.377-billion budget for the Pattullo Bridge.

Fact: An estimated increase of 4-7% is already included in the Pattullo budget. The increased cost helps pay for the goal of 25% apprenticeship hours over three years. Because of the higher number of apprentices, more full-time staff are needed onsite to reach full productivity. While this means an investment upfront, the long-term economic benefits of training the next generation of skilled workers far outweigh the costs. Without the 25% apprentice target, there are few incentives for employers to train apprentices — one of the causes of the skilled worker shortage B.C. is facing.

Claim: Project labour agreements (PLAs) are unsuccessful and drive up costs for taxpayers.

Fact: Agreements like this have a successful track record and have been used for decades in British Columbia and many other jurisdictions. For example, since 1963, 17 BC Hydro dams have been built using project labour agreements. Every project was constructed on time and on budget.

Agreements like this have also been used by private industry, including the Kitimat Modernization Project, which upgraded the Rio Tinto Alcan aluminum smelter. This project used a PLA signed

between the bargaining council of the BC Building Trades and Bechtel. Roughly 7-15% of workers were First Nations, and the project saw a ratio of 23-26% apprentices on the job.

Project labour agreements are common in other jurisdictions, including California. The Los Angeles School District is currently \$21 billion into a \$28-billion building program through a project stabilization agreement with the building trades. A PLA is also being used on parts of a multi-billion dollar improvement program at Los Angeles International Airport (LAX). The PLA has an objective of 30% local worker participation and includes a community workforce development system to prepare workers for skilled-labour careers.

Claim: The low-bid model is a better deal for taxpayers.

Fact: Under the previous government, projects often ran over budget using this model. For example:

- In 2005, the Port Mann Bridge was estimated to cost \$1.5 billion. When all construction was completed in 2015, it cost \$3.3 billion (\$1.8 billion over budget).
- When BC Hydro's Northwest Transmission Line was first proposed, it was estimated at \$404 million, but the final cost was \$716 million (\$312 million over budget).
- The BC Place roof and renovations were originally estimated at \$365 million. The final cost was \$514 million (\$149 million over budget).
- The Vancouver Convention Centre, originally budgeted at \$565 million, ended up costing taxpayers \$900 million. (\$335 million over budget).

With CBAs, wages are locked in for the duration of the project and no strikes or lockouts can take place. These predictable labour costs help ensure projects are completed on time and on budget.

Claim: Only union contractors can bid on CBA projects.

Fact: CBAs allow all contractors to bid, whether they are union or non-union. CBAs allow contractors to bring all of their existing supervisors and most, if not all, of their workers. CBAs are good for local and small contractors because they level the playing field with known wage rates and access to qualified skilled trades workers, allowing more contractors to bid. Recent examples show that non-union contractors will bid on projects with this type of agreement. 50% of the contractors participating in the Los Angeles School District's project stabilization agreement are non-union and 42% of all contractors are small businesses.

Claim: Non-union workers will be cut out from working on government projects.

Fact: Although workers must join a union while they work on the project (as is the case with all unionized worksites in B.C.), they do not need to be unionized before or after working on the project. No contractors are restricted from bidding on projects. Any contractor may bid, regardless of whether or not their workers are unionized.

Claim: According to the Independent Contractors and Businesses Association of BC, 85% of the construction workforce chooses not to be affiliated with the BC Building Trades unions.

Fact: This figure is misleading, as it includes both non-residential and residential construction workforces. The residential construction workforce does not work on major infrastructure projects. CBAs only cover non-residential construction projects like roads and bridges, which require specialized workers, such as pile drivers and structural ironworkers.

Every labour market analyst tracks residential and non-residential labour supply separately. These non-residential trades are unionized at a far higher rate than the residential construction workforce. There are 69,000 non-residential construction workers in British Columbia, according to Build Force Canada's 2018 Construction Outlook. The BC Building Trades is the largest supplier of labour in the Province of British Columbia. With 40,000 members, it represents more than 58% of the non-residential construction sector.

Claim: There is no public policy rationale for requiring workers to become union members.

Fact: A unionized workforce significantly increases the number of skilled workers trained on a project. BC Building Trades apprenticeship graduation rates are 85% on average — the highest completion rates in the industry. Training more apprentices will address B.C.'s significant skilled-labour shortage and help grow the economy. Signing a collective agreement guarantees wage stability over the course of the project, helping deliver it on time and on budget.

In projects with no collective agreements, wage costs can fluctuate unpredictably, causing them to go over budget. Because the demand for skilled labour in B.C. is so high, there is little difference in costs between union and non-union labour. A unionized environment ensures workers are treated fairly, receive equal wages for equal work, and are provided with additional supports, such as a long-standing drug-and-alcohol rehabilitation program for workers.

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