

THE  
EMBERS  
STAFFING  
SOLUTIONS  
STORY

A community benefits  
agreement and  
social procurement  
case study



BUY  
SOCIAL™



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A downtown Vancouver casino made a proposal to the City of Vancouver to relocate and create an expanded urban resort and casino. **A Community Benefit Agreement (CBA) was initiated as a means to create employment opportunities for residents facing barriers to employment.** The social enterprise EMBERS Staffing Solutions was hired to provide construction labour to the General Contractor and Construction Trades.

*“We are a social enterprise. We are a business. EMBERS Staffing Solutions works 95% in construction—we place people on construction sites. We have probably 150 customers. We place about 250 people a day.*

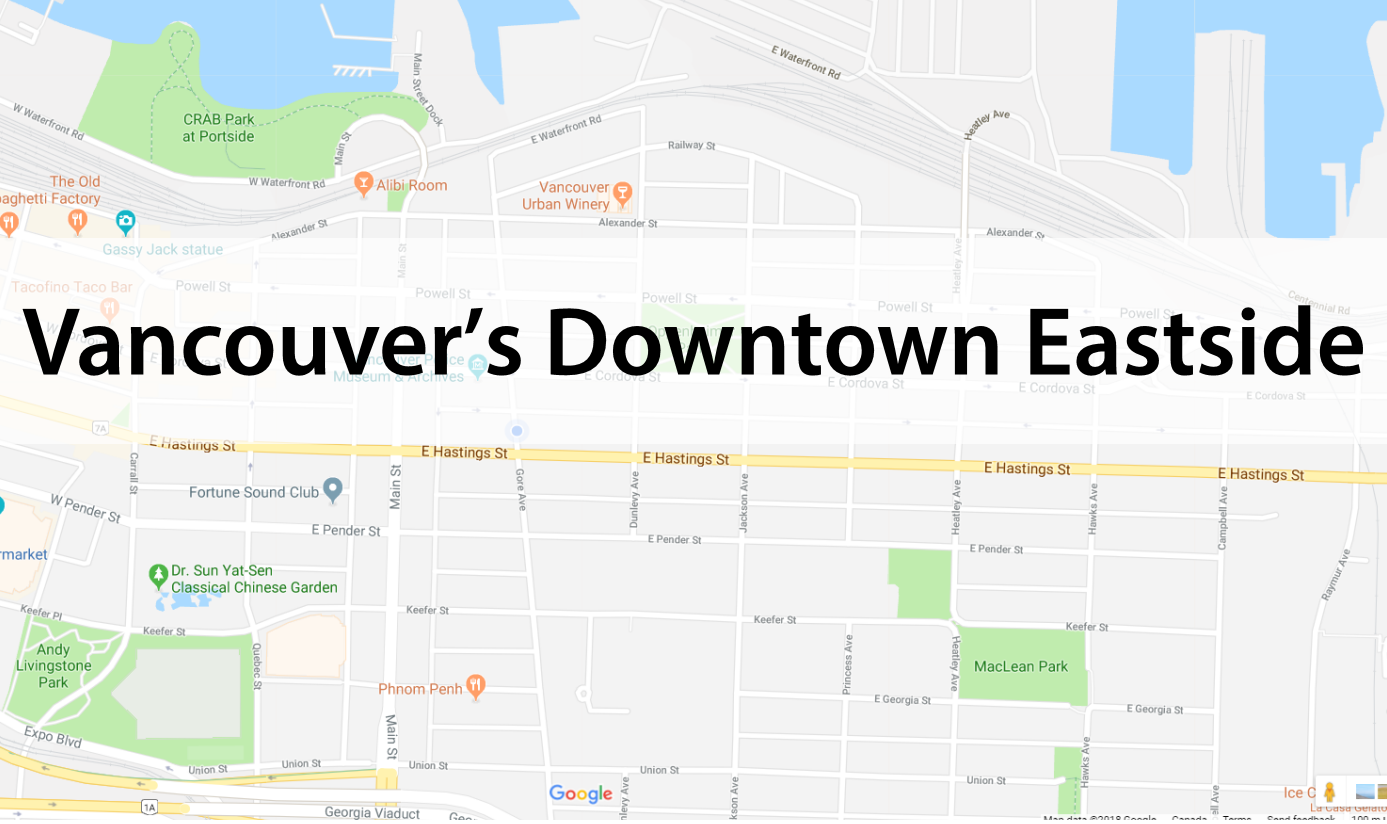
*For us, as a social enterprise, wanting to place people on that site, it’s difficult to walk in there and be in touch with subcontractors. You need somebody who is quarterbacking that. EllisDon [the general contractor] very smartly hired somebody specifically to take on that role. And we became close partners with that person who we could work with on making sure we had the right people in the right positions.”*



**Marcia Nozick**

Founder and CEO, EMBERS

Eastside Movement for Business  
and Economic Renewal Society



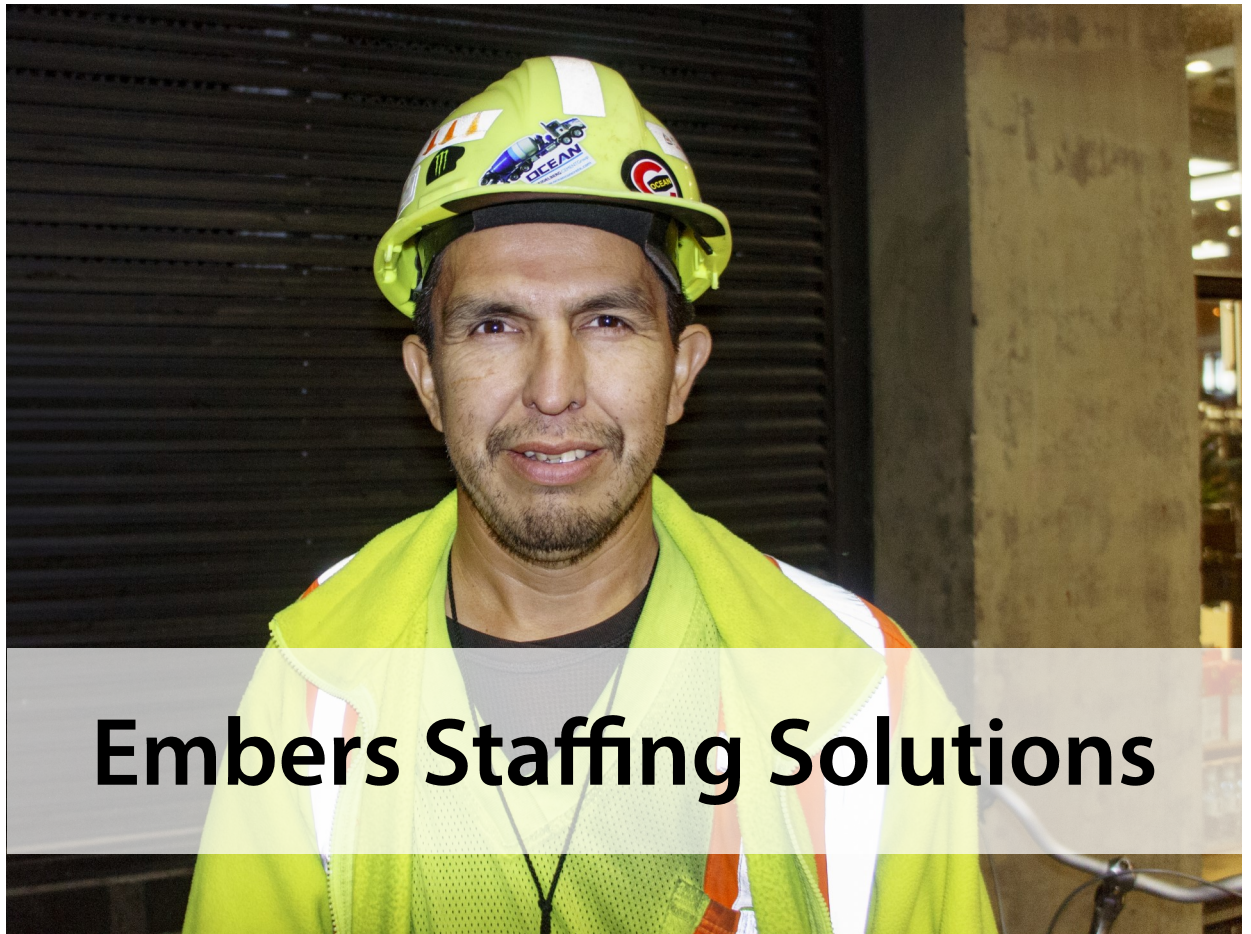
# Vancouver's Downtown Eastside

Vancouver's Downtown Eastside (DTES), often referred to as "Canada's poorest postal code," is one of Vancouver's oldest and most historic neighbourhoods. It is located just to the east of the downtown core, and due to increasing struggles with gentrification and unaffordable housing, the neighbourhood has been growing in size and population.

This neighbourhood is uniquely connected to many cultural groups, including the Musqueam and Squamish First Nations and the Chinese-Canadian community, and is home to a diverse and predominantly low-income population. In recent years, Vancouver's red hot real estate market has driven property developers into the DTES, displacing many of the low-income residents.

The DTES struggles with many complex problems such as homelessness, poverty, mental health issues, substance abuse, crime, and in recent years has seen a sharp rise in overdose-related deaths.

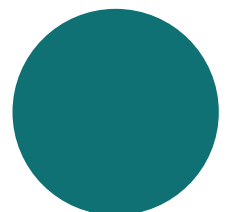
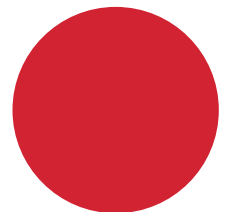
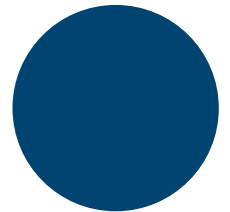
Income and employment are key factors in the social determinants of health, and the provision of income generation opportunities for residents of this vulnerable population plays an important role in the revitalization of the community.



# Embers Staffing Solutions

Embers Staffing Solutions (ESS) is a **temporary staffing agency**, providing temporary service workers for construction labour, special events staffing, warehouse and manufacturing staffing, as well as administrative positions. ESS provides employment opportunities to residents within Vancouver's Downtown Eastside community looking to transition back into work. Their core mission is to **support their employees and help them transition into full-time work**, while providing high-quality temporary labour services to employers.

Workers generally start as general labourers, earning \$14-\$15/hour, and **many increase their earnings up to \$25/hour** through certified training offered by EMBERS Training Group.





## 2004

A casino located in downtown Vancouver enters into a “Job Creation Agreement” with the City of Vancouver requiring the casino to employ people from the Downtown Eastside community—a 10% local hiring target.



## Spring 2015

The casino applies to move its operations and build an expanded urban resort and casino, including two hotels and eight restaurants. The “Inner-City Local Employment and Procurement Agreement” is put into effect—10% of wages must go to local hires, and 10% of materials procured must be local purchases, as a condition of City approval. Construction begins.



## Autumn 2015

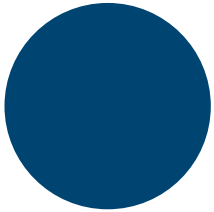
Vancouver City Council adopts “Healthy City Strategy—Four Year Action Plan” resulting in the development of Community Benefit Agreements for large developments, aiming to reduce employment barriers and increase local procurement.



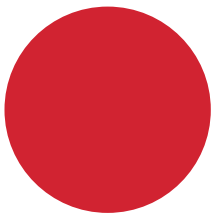
The social enterprise EMBERS Staffing Solutions is hired by EllisDon, the general contractor on the casino project, to source and provide both general and skilled labour for the construction phase. EMBERS Staffing Solutions continues to work with EllisDon on other projects.



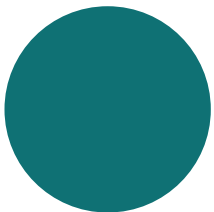
# Social Impacts



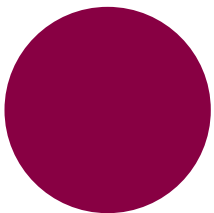
**Over 20% of the construction labour was hired locally** during construction, exceeding the social hiring requirements set out in the CBA.



11.7% of the construction value was procured locally, resulting in an **estimated \$75 million spent in the local economy.**



Through its work with EllisDon and subcontractors, EMBERS paid out almost **\$1.5 million in wages to over 500 local employees**, including 100 full-time workers employed for 3+ months, earning an average wage of \$19 per hour.



The new urban resort employs 1800 to 2000 people per year, at an annual payroll of \$85 million. This will create **a minimum of 180 jobs or \$8.5 million in wages** for community residents.





# Ongoing Challenges



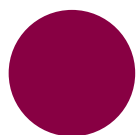
Projects requiring **multiple subcontractors** face **increased administrative burdens** of incorporating new procurement and hiring practices into their current practices, including the measurement and reporting requirements.



There are **systemic barriers, such as labour union rules**, to social enterprises working with the hospitality industry for ongoing operations.



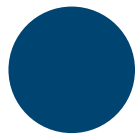
Many of the **materials needed are not available locally** or do not comply with LEED, resulting in competing interests in procurement.



If original design plans do not account for local materials, and the inclusion of this at a later date requires a **rethink of the design plan**.



# Learning Opportunities



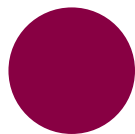
Community Benefit Agreements (CBAs) can **open the door to continued work relationships** between contractors and social enterprises.



Subcontractors on the project can learn about the benefits of social procurement, and this can **build new connections and business opportunities** for social enterprises.



Social procurement on construction sites requires a **“quarterback” to coordinate subcontractors** with social enterprises and social hiring agencies.



Governments need to **think about local procurement early in the planning stages** of a new development to allow for time to source local suppliers, to include social value components into construction bids, and to reconcile competing interests (e.g. LEED requirements).





## Technical Challenges to Social Procurement in Resort Operations

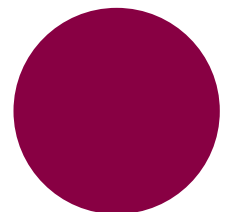
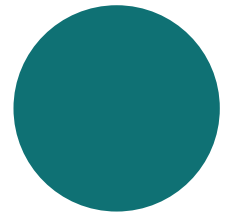
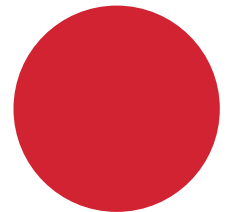
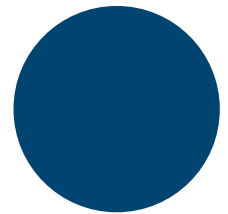
Hotel brands have their own **procurement criteria for franchisees**, such as having a dedicated account executive and third party quality assurance audits, which are too stringent for many social enterprises to meet.

30 day credit terms are typical of the industry, but social enterprises often **do not have the available funds to cover upfront costs** of large quantities of supplies without immediate payment.

Hotels and restaurants require high volumes for consistency, and **social enterprises do not always have the capacity** to supply at such volumes.

Co-ordinating small deliveries from social enterprises can be a challenge for large operations because **social enterprises** can often **offer only limited delivery options**.

Many franchises have **“due diligence requirements”** in which procurement must occur under a **competitive bid procedure** to meet brand standards.



# BUY SOCIAL™



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Report prepared by Nicole Hanbury

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*Information for this case study has also been sourced from publicly available documents, including a report back to the City of Vancouver.*



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