

EC5.13 Attachment 4

ATTACHMENT 4: IMIT LOCAL EMPLOYMENT REQUIREMENT POINTS-BASED SYSTEM

Overview of points-based system

This points-based system has been developed to encourage training and hiring outcomes that are quantifiable and achievable. The system provides a wide variety of options with the required effort proportionate with the size of the incentive provided.

Under a points-based system, the City will provide IMIT recipients with a menu of options for local employment and training activities from which to build their Local Employment Plan, which is a requirement for every IMIT grant recipient. The menu contains varied options to provide flexibility for the applicant and any contributing property users. It is expected that most will concentrate on using a few of the menu items.

The recommended activity level is **10 points per million dollars of estimated eligible construction value** as indicated on the IMIT Application and confirmed later through Toronto Building Permits. Points are accrued based on the completion of eligible hiring and training activities, and achievement of outcomes.

The points total would include any points accrued by users of the eligible property, if applicable (in a building that is leased out, the grant recipient is the building owner that will usually pass through the IMIT grant to the lease holder(s). Thus the 'user' must co-operate with respect to meeting the requirements of the Local Employment Plan. In the case of owner-occupied buildings, such as is the case for many manufacturing operations, the applicant and the user are the same entity.

Points accrual can begin during the construction period and additional points are permitted to be carried over from year to year during the 10-year incentive period. There are options that are similar to 'cash-in-lieu' that involve funding third parties that are focussed on training and hiring for the City's equity-deserving groups.

Points will be accrued for new activities only and not awarded for activities or programming in existence prior to approval of the IMIT incentive, although existing partnerships with community workforce development organizations may be leveraged to develop/support new points-eligible activities. The City will consider other options for earning points for activities that fall under special circumstances with the City having the exclusive right to approve these activities.”

Activity and outcome tracking will begin on October 1st 2019, with annual reporting each year thereafter to be received no later than September 30th of each grant year. The first grant year that will be tied to the new system will be 2020.

The City intends to develop an online reporting system for this initiative. Reports should demonstrate how point values were achieved for the building along with applicable documentation.

The City will reserve the right to conduct audits or request further documentation to verify the activity levels reported. Compliance for payment will be based on applicable CIP by-law.

IMIT recipients already participating in the program will be encouraged to participate in the new system and will have the point requirement prorated for their remaining years of payment. After the one-year pilot period staff will analyze the results and report to Council with a recommendation on the possibility of amending the CIP to make the requirement mandatory for existing and future participants.

The table below further outlines the various activities and the points awarded for each type and level of activity. The next section provides three examples of how the points-based system works.

IMIT Local Employment Requirement Points-Based Activity Tracking Guidelines						
Activity #	Activity	Partnered/ Company-led	Ongoing/ One-time	Activity Level/ Unit	# of Points per unit	Outcome(s) to be reported by IMIT recipient
Points-eligible activities for property owners						
1	Work with the City of Toronto Construction Connections program from the time of lead general contractor award, to develop opportunities for equity-deserving groups during the building construction period. Other construction workforce development partners may be proposed by the property owner/IMIT recipient.	Partnered	One-time at start of project	Program/ process for local hiring and training to be developed in partnership with Construction Connections	30% of total points required will be awarded upon confirmation of the development of training/hiring program/ process and 10 points per person hired through this process	Number of pre-apprenticeships completed Number of registered apprentices placed into jobs
2	Implement living wage* policy for employees including externally contracted staff providing ongoing services (at least 120 hours per year)	Company-led	One-time, for the duration of the incentive	Living wage policy implemented	40% of total points (note – this has to be a change from current practice for the applicant)	Number of employees/contractors impacted Aggregate increase in wages paid

3	Develop and implement a social procurement policy to buy goods and services from diverse suppliers in the GTA (in alignment with the City of Toronto Social Procurement Program)	Company-led	One-time policy development, for the duration of the incentive	Policy developed and rolled out	10% of total points value for policy development 3 points per contract opportunity shared with diverse suppliers 1 point per awarded contract over 10K	Number of contracts awarded to diverse suppliers, Value of diverse supplier contracts
4	Fund pre-apprenticeship seats in a City-endorsed program* for equity deserving-groups	Partnered	One-time	Number of seats sponsored	10 points per seat**	Pre-apprenticeships completed Number of sponsored pre-apprentices offered apprenticeships
5	Provide a work placement for building maintenance certification program	Partnered	One-time	Number of placements provided	3 points per placement 10 points per hire	Number of hires (full time, part time, contract)
Points-eligible activities for property users						
6	Develop and implement an equitable hiring policy	Partnered	One-time + ongoing reporting	Policy developed and rolled out	Capped at 20% of property user points (allocated based on GFA occupied)	Annual growth in number of hires from equity-deserving groups based on self-identification survey

7	Develop and implement a living wage policy	Company-led	One-time, for the duration of the incentive	Policy developed and rolled out	Capped at 40% of property user points (allocated based on GFA occupied)	Number of employees/contractors impacted Aggregate increase in wages paid
8	Develop and implement a social procurement policy to buy goods and services from diverse suppliers in the GTA (in alignment with the City of Toronto Social Procurement Program)	Company-led	Ongoing	Number of contract opportunities shared with diverse supplier list	3 points per contract opportunity shared with diverse suppliers 1 additional point per awarded contract over 10K	Number of contracts awarded to diverse suppliers, Value of diverse supplier contracts
9	Participate in a City-endorsed recruitment event/job fair	Partnered	Ongoing	Number of recruitment events attended	2 points per job fair attended 10 points per hire	Number of hires (full time, part time, contract)
10	List job openings with Toronto Employment and Social Services	Company-led	Ongoing	Number of postings provided	10 points per hire	Number of hires (full time, part time, contract)
11	Interview candidates from City-endorsed programs	Partnered	Ongoing	Number of candidates interviewed	1 point per interviewed candidate 10 points per hire	Number of hires (full time, part time, contract)
12	Fund a workforce development organization from the list	Partnered	Ongoing or one-time	Funds provided	1 point per \$2,500	Funding provided (amount, funding entity and recipient)

	of City-endorsed programs**					
13	Provide industry mentorship through a City-endorsed program	Partnered	Ongoing	Number of staff hours	1 point per 10 hours	Number of mentees hired in industry
14	Participate in an City-endorsed information/networking event	Partnered	Ongoing	Number of staff hours	1 point per event 10 points per hire	Number of events attended, Hiring resulting from participation
15	Provide access to space for training and networking events for City-endorsed programs (spaces with over 25 person occupancy)	Partnered	Ongoing	Number of events supported	1 point per event	Number of events supported and organization

*A living wage is the hourly wage a worker needs to earn to cover their basic expenses and participate in their community. It is recalculated periodically. A living wage employer agrees to ensure that all direct, full-time, part-time and contract employees are paid the prescribed living wage rate for their area. (Source: Ontario Living Wage Network)

** Funding can only account for a maximum of 25% of points to be accrued.

Examples

Example 1- Expansion of existing manufacturing facility

28,000 sq. ft., \$3 Million in construction value. Estimated total IMIT grant would be \$239,400 over 10 years. A total of 30 points over the 10 year incentive period or 3 points per year would be required.

Ex 1. Sample activities for a local employment plan over a 10-year period

Activity	Point value (per activity)	Activity Level/Unit	Total Points
Provide work placement for building maintenance certification program	3	1 placement	3
Participate in a City recruitment job fair	2	2 events	4
Interview candidates from City-endorsed programs	2	3 interviews	6
Hire individuals from City-endorsed from City-endorsed programs	10	2 hires	20
Total			33

Example 2-Data Centre (new construction)

218,000 sq. ft., \$58 Million construction value. Estimated IMIT development grant total is \$7 Million over 10 years. 580 points required over 10 year grant period or 58 points per year would be required.

Ex 2. Sample activities for a local employment plan over a 10-year period

Activity	Point value (per activity)	Activity Level/Unit	Total Points
Construction Connections Program plan development	30% of total	1 plan	174
Construction Connections - Hires	5	10 hires	50
Work placement building maintenance	3	10 placements	30
Interview candidates from City-endorsed programs	2	20 interviews	40

Hire candidates from City-endorsed programs	10	10 hires	100
Participate in City recruitment event / job fair	2	10 events	20
Hire from City recruitment event / job fair	10	5 hires	50
Develop equitable hiring policy	20% of total	1 policy	116
Total			580

Example 3-Office Building (new construction)

400,000 sq. ft. \$136 Million construction value. Property owner and seven property users (tenants) contributing to meet requirement. Estimated IMIT development grant is \$12 Million.

1360 points required over 10 year grant period or 136 points per year would be required.

Ex 3.A Sample activities for a local employment plan over a 10-year period

Activity	Point value (per activity)	Activity Level/Unit	Total Points
Implement new living wage policy	40% of total	1 policy	544
Work placements building maintenance	3	10 placements	30
Develop equitable hiring policy	20% of total	1 policy	272
Develop new social procurement policy to provide opportunities to diverse suppliers in GTA	10% of total	1 policy	136
Contracts shared with diverse suppliers	3	30 contracts shared	90
Contracts awarded to diverse suppliers (over 10K)	1	10 contracts awarded	10
Property user staff hourly participation in industry mentorship program	0.1	200 hours	20
Property users provide access to event space for training and networking	1	24 events	24
Funding to City-endorsed partner(s) (\$2500 increment)	1	\$585,000	234
Total			1360

Program administration roles

Administration of the Local Employment Requirement will be led by the City of Toronto Economic Development and Culture Division, drawing on expertise from division partners. IMIT recipients will manage property user compliance. Property users work directly with workforce development partners to meet expected activity levels. Detailed proposed roles and responsibilities are as follows:

Stakeholder	Proposed role
EDC	Administrator of the program. EDC will be the central point of contact for administering the requirement, including marketing and communications around the employment requirement, onboarding onto reporting and management system, and determining compliance.
TESS	Advisory services as needed (e.g. screening in of employment and training service agencies) and review of points-eligible activity options to align with current labour market needs
IMIT recipient	Responsible for ensuring compliance management for eligible property, including participation of property users and annual reporting. Responsible for distributing and collecting activity reports and tabulating points for property users in the building.
IMIT property user	Completion of eligible activities through City-endorsed partner(s). IMIT property users report activities and outcomes through IMIT recipient. The IMIT recipient and the user, if different, are encouraged to include the appropriate information ahead of the lease signing and to include terms in the lease binding the leaseholder to fulfill their obligations. It is recommended that point values are distributed proportionately among property users based on GFA occupied.
City-endorsed workforce development partner	Matched with company for implementation; may support City for validating reported activities/outcomes as needed.