

Concert Properties

A Case Study in Social Purchasing

1.0 Corporate Overview and Background

Concert is an award-winning diversified real estate enterprise involved in developing and acquiring rental housing, commercial and industrial properties, condominium housing, seniors living communities, resort developments and hotels in British Columbia, Alberta and Ontario. With assets in excess of \$1.3 billion and shareholder equity of approximately \$800 million, Concert is exclusively owned by Canadian union and management pension plans.

Since 1989, Concert has completed developments in excess of \$1.9 billion, built more than 8,000 rental and condominium homes, developed and acquired more than 8.1 million square feet of income-producing properties, and created more than 16.2 million person-hours of on-site union employment.

Concert is committed to being “a developer with a difference” with the objective of building strong and vibrant residential, industrial and commercial communities focused on sustainability. Concert’s core value of building strong and vibrant communities through honesty, integrity, caring and superior customer service speaks directly to the three pillars of sustainability – economic, environmental and social.

As a result, Concert supports inner-city businesses and social enterprises that make a difference in the community.

2.0 Policy and Program Scope

As “a developer with a difference,” Concert has always conducted itself with a foundation of sustainability.

Through its role as a community builder, Concert has provided human, financial and in-kind donations to not-for-profit, pro bono project management services, development of community amenities and funding of skills and trades training.

In 2008, Concert formalized its sustainability goals with a company-wide commitment to making economic, environmental and social sustainable practices an integral part of every consideration, decision and action. As

Vancouver Social Purchasing Portal

The Vancouver Social Purchasing Portal (SPP) assists purchasers in aligning spending with social values. The SPP matches organizations with suppliers that provide direct social benefits, such as employment and training for those with barriers to employment. For more information visit the SPP at www.sppvancouver.org.

part of this commitment, social purchasing has been recognized as an important consideration in line with the organization's core values.

The company has combined its interest in social and sustainable purchasing with its interest in supporting skills and trades training. To that end, Concert actively supports Tradeworks Training Society, a social enterprise which helps foster independence by providing job-related skills training, counselling and work opportunities. (For details on Tradeworks see text box at the end of the case study.)

Among its initiatives is Tradeworks Custom Products which provides entry-level employment to disadvantaged women in Vancouver's Downtown Eastside and adjacent neighbourhoods. The business manufactures an array of small wooden products such as custom boxes, frames, trays and small furnishings. The products are sold to corporate clients or retailed through partner companies.

Concert is one such corporate client, purchasing specially branded toolboxes that are presented to new condominium homeowners as move-in gifts. Concert contracted Tradeworks to produce the toolboxes, which are laser engraved with Concert's logo and tagline – "a developer with a difference." A card on the box explains how the boxes are made and the social benefits they generate.

The women this initiative seeks to help are low income with no recent work history, and are usually recovering from substance abuse or other personal trauma. They may also have young children, modest literacy and life skills, and most have no experience with power tools used in industries such as manufacturing.

To those who are looking to make a change in their lives, the program provides work opportunities with flexible hours, a constructive social context, learning opportunities, life skills training, an employment reference and support to graduates in job searches in the wider community.

Since 1995, Concert has provided its new homeowners with more than 2,000 toolboxes containing essential home items like flashlights, cans of touch-up paint, wall filler, toilet paper, dish liquid, tools and reusable grocery bags.

Overcoming Challenges to Social Purchasing

Social enterprises are usually small businesses. Due to their limited operating capacity, they are often unable to respond to requests for proposals (RFPs). This sometimes prevents large contract purchasers from placing orders with social enterprises. Large purchasers can still find ways to contract with social enterprises by:

- Unbundling large contracts into smaller deliverables;
- Sourcing a defined percentage of contracts with suppliers that provide a social return;
- Direct sourcing to social enterprises rather than requiring them to respond to RFPs;
- Sourcing from suppliers who subcontract to social enterprises.

3.0 Key Drivers of the Social Purchasing Program

The following are the key drivers of Concert's social purchasing program:

Core Values

The purchasing relationship with Tradeworks Custom Products is in alignment with Concert's commitment to supporting a strong and vibrant community.

Brand/Image

The product provides a unique gift that reinforces Concert's "social responsibility" mandate to its condominium purchasers.

4.0 Benefits, Challenges and Collaboration

Benefits

With its socially sustainable background, the Tradeworks toolbox provides Concert with a meaningful gift for its new homeowners. In addition, the Tradeworks program is in keeping with Concert's commitment to education and skills development. This win-win purchasing contract reinforces Concert's mission and enhances its brand.

The contract also ensures that purchasing dollars circulate locally, thereby reinforcing Concert's focus on building strong communities.

Challenges

Because it is owned by Canadian pension plans, Concert has a commitment to purchase from unionized businesses. The fact that social enterprises are characteristically small non-unionized enterprises poses a challenge for Concert's social purchasing efforts. The company overcomes this hurdle by carving out an area of spending for social enterprise purchasing, in this case, for corporate gifts. See sidebar for more ways to overcome the challenges of social enterprise purchasing.

Social enterprises can confront challenges in fulfilling large contracts since they may lack capacity to deliver on the scale required. In this instance, Concert has the advantage of being able to order toolboxes from Tradeworks well in advance of condo completion. For instance, an order may be placed as soon as the project breaks ground so Tradeworks has at least 18 months to complete the contract. Providing Tradeworks with considerable lead-time as well as an extended term to complete the contract assists the organization in overcoming any capacity issues.

5.0 Next Steps in Program Evolution

In keeping with its commitment to social sustainability, Concert launched an internal best practices guidebook in spring 2009 with a goal of integrating sustainability in every administrative consideration, decision and action.

While the bottom line is important in any business endeavour, Concert's bottom line includes people and, in turn, social enterprises. Concert's mandate that social sustainability factors be incorporated throughout the organization will encourage social purchasing as a larger administrative consideration going forward.

6.0 Recommendations for Others

Concert has had an extremely positive experience sourcing from social enterprises and offers the following advice for others interested in maximizing the social benefits of purchasing:

"Don't be afraid," says Heather Harley, Concert's Director, Marketing and Communications. "Be positive, innovative and open to creative alternatives to make it work. The rewards far outweigh any difficulty in sourcing from social enterprises."

For Concert, this has been a win-win relationship that has resulted in benefits for everyone involved.

7.0 Further Information

For more information please contact:

Concert Properties

Heather Harley, Director, Marketing & Communications

email: hharley@concertproperties.com; phone: 604-602-3713

Tradeworks Custom Products

Ross Gentleman, Executive Director

email: rgentleman@tradeworks.bc.ca; phone: 604-253-9355, ext 224

Tradeworks Custom Products



Tradeworks Custom Products is a social enterprise designed to provide training and employment to women in Vancouver's Inner City. The program trains and gives part-time employment to 20-30 women per year between the ages of 20 and 60. The workers are low income women with no recent work history, often recovering from substance abuse, personal trauma, or who are transitioning away from the sex trade, and who may also have young children. Women that lack skills, confidence and a sense of purpose are given experience with power tools used in industries such as manufacturing, and begin to earn an income in a conventional way.

Tradeworks Custom Products produces finished wood products customized with laser engraving of text, logos or photos. Its standard products include tool boxes, caddies and sliding top boxes, and specialized products for custom orders. Products are sold directly and through distributors.. Annual sales revenues are \$80,000 and climbing. Tradeworks is also funded through grants from BC Social Venture Partners, Vancity Credit Union and others. The social enterprise is a project of Tradeworks Training Society, which has been providing training and employment services in Vancouver's urban core since 1994.

