

Date: April 4, 2022	Originator's files:
To: Chair and Members of General Committee	
From: Shari Lichterman, CPA, CMA, Commissioner of Corporate Services and Chief Financial Officer	Meeting date: April 27, 2022

## Subject

Certificate of Recognition (COR) Health and Safety Certification Program Update

## Recommendation

That Phases 4 and 5 of the City's requirement for COR certified construction contractors commence on July 1, 2023 and July 1, 2024 respectively, subject to verification of market readiness, as outlined in the Corporate Report dated April 4, 2022 from the Commissioner of Corporate Services and Chief Financial Officer titled "Certificate of Recognition (COR) Health and Safety Certification Program Update".

## Executive Summary

- At its meeting on June 20, 2018, Council approved the recommendation "That, to demonstrate its commitment to health and safety, the City requires its construction contractors to be COR certified as a condition of contract award in accordance with the contract value and phased implementation schedule commencing in September 2018" (ref. GC-0391-2018).
- The Certificate of Recognition (COR) granted by the Infrastructure Health and Safety Association (IHSA) is an accredited certification program in Ontario. COR is a comprehensive health and safety audit tool designed for the construction industry.
- To become certified construction contractors must demonstrate that they meet the requirements of the *Occupational Health and Safety Act* (OHSA) with formal processes, practices and training in place.
- Requiring construction contractors to be COR certified aligns with the City's Sustainable Procurement Policy.
- The City's COR program is being rolled out in phases, based on contract value: Phase 1 notified construction contractors of the City's COR program;
- Phase 2 commenced in September 2019, requiring COR certified contractors for construction projects with a value of \$25,000,000 or more;

- Phase 3 commenced in September 2020, requiring COR certified contractors for construction projects with a value of \$10,000,000 or more;
- Phase 4, requiring COR for contracts with a value of \$5,000,000 or more, and Phase 5, requiring COR for contracts with a value of \$100,000 or more, are contingent on a review of market readiness prior to implementation of each phase.
- Market readiness takes into account the status of COR uptake by smaller construction contractors and is key to ensuring sufficient competition.
- COVID-19 has affected many businesses, significantly disrupting their normal operations and may have delayed their COR certification. Staff recommend that the roll out of Phases 4 and 5 commence in July of 2023 and 2024 respectively to give the market and contractors time to stabilize and recover.

## Background

The City's Sustainable Procurement Policy came into effect on July 1, 2018. The policy demonstrates the City's commitment to continuously improve the social and environmental impacts of its procurement of Goods and Services. The social aspects of Sustainable Procurement include buying goods and services from suppliers with good health and safety workplace practices. The Certificate of Recognition (COR) granted in Ontario by the Infrastructure Health and Safety Association (IHSA) aligns with the Sustainable Procurement Policy.

### About COR

COR is a comprehensive health and safety audit tool. It is an accredited certification program with certification granted exclusively in Ontario by the Infrastructure Health and Safety Association (IHSA). Construction contractors must demonstrate their standards of health and safety management systems through a structured audit process. It takes a contracting organization approximately 12-18 months to achieve certification, which is valid for three years. In years, two and three the contractor must perform annual maintenance audits to maintain certification status.

The unique feature and benefit of COR certification is the third party verification for compliance against an exacting standard that complies with the OHSA. Construction contractors having other health and safety management systems in place can apply for COR equivalency through the IHSA.

Recently, COR was enhanced to COR 2020 in order to help interested workplaces qualify for financial rewards, offsetting the costs of becoming COR certified, and recognition from the Ministry of Labour, Training and Skills Development and the Workplace Safety and Insurance Board.

Occupational health and safety programs intend to reduce workplace accidents and the burden they impose on society through healthcare costs and on individuals exposed to risks. While COR does not guarantee that there will be no accidents and lack of COR certification does not necessarily mean that a contractor is unsafe, COR promotes construction sites that are as safe as possible.

COR certification is currently also required by the City of Toronto, York Region, the City of Vaughan, Infrastructure Ontario, Metrolinx, the City of Brampton, the Toronto Transit Commission and the Town of Milton.

## Comments

This report recommends that the City continue to implement COR as a requirement for its construction contractors and that Phases 4 and 5 of the program commence in July of 2023 and 2024 respectively to ensure market readiness by contractors.

According to the IHSA website, approximately 500 Ontario contractors are currently COR certified and approximately 1600 are registered in the program. Uptake among contractors is increasing; however, COVID-19 disrupted normal business and shifted priorities for many contractors. Many of the City's regular contractors for higher value projects are already COR certified or COR registered, however the City has a significant volume of contracts at the lower values. Prior to implementation of each new phase, Staff will review market conditions to ensure that sufficient competition is available and may defer implementation of the phase or require COR for specific projects only.

The City will continue to communicate with construction contractors and post notices to ensure they are aware of the City's future requirements for COR. The City will retain the authority to consider alternate equivalent certified health and safety programs, such as ISO 45001, provided that they meet the requirements of the COR certification. This is necessary for projects that fall under the Canada Free Trade Agreement (CFTA) and the Comprehensive Economic Trade Agreement (CETA) and in the event of emergencies.

Staff from Facilities and Property Management, Human Resources, Works and Operations Maintenance, Infrastructure Planning and Engineering, Parks Development and Legal Services have reviewed this report and support the recommendation. Appendix 1 provides details on City construction services and dollar values.

### Internal COR Certification

Internal COR certification, such that the City would become COR certified, is presented by the IHSA as demonstrating leadership by example. However, no Ontario municipalities are COR certified at this time. The City of Brampton and the Town of Milton are considering internal COR certification and are assessing the full scope of the initiative.

The City's Health and Safety Management System (HSMS) is described in Policy No. 01-07-05. The HSMS is based on the Canadian Standards Association (CSA) Z-1000-06 Occupational Health and Safety Management System Standard. The City has a good safety record; no significant issues have been raised to prompt a major change to current practices. Furthermore, the construction contractor safety management process provides a consistent direction for managing contractor safety. It helps protect City employees and contractor personnel from workplace injury and occupational illness and from losses associated with incidents related to the contracted work.

The CSA standard Z-1000 applies to all City business units while an internal COR program would apply only to business units that oversee construction services, such as Facilities and Property Management, Works Operations and Maintenance, Capital Works, and Parks Development.

COR is a tool for the construction industry and the IHSA is currently expanding certification to manufacturing environments. It is not for the services the City provides. The City has strong health and safety policies in place relevant to its staff and the services it provides. Internal COR certification is not recommended at this time. Staff will continue to monitor if COR certification internally is a feasible future step.

## Financial Impact

There is no cost to the City related to requiring construction contractors to be COR certified.

## Conclusion

Requiring construction contractors to be COR certified aligns with the City's Sustainable Procurement Policy and demonstrates the City's commitment to health and safety. The City implemented COR in September 2018 and has rolled out three Phases. Staff recommend implementation of Phases 4 and 5 in July of 2023 and 2024 respectively to provide additional recovery time to construction contractors affected by COVID-19.

## Attachments

Appendix 1: City Construction Services and Values



Shari Lichterman, CPA, CMA, Commissioner of Corporate Services and Chief Financial Officer  
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