City of Toronto Social Procurement Program

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<tr>
<th>Date:</th>
<th>April 4, 2016</th>
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<tbody>
<tr>
<td>To:</td>
<td>Executive Committee</td>
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<td>From:</td>
<td>Executive Director, Social Development, Finance and Administration, and the Treasurer</td>
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<td>Wards:</td>
<td>All</td>
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<td>Reference Number:</td>
<td>AFS#20381</td>
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**SUMMARY**

The City of Toronto has a long history of using procurement to achieve strategic social, economic and workforce development goals. From policies related to Fair Wage and Non-Discrimination to Environmental Responsible Procurement and "No Sweatshop" policies, City Council has systematically created a culture of social procurement with practices that promote and contribute to a fairer, more ethical, and more sustainable Toronto since 1893.

This report establishes the City of Toronto Social Procurement Program ("the Program"), summarized in Appendix A, which builds on the Council-adopted Toronto Social Procurement Framework (2013) and is aligned with City strategies such as TO Prosperity: Toronto Poverty Reduction Strategy, Toronto Strong Neighbourhoods Strategy 2020, Working as One, Collaborating for Competitiveness, Toronto Youth Equity Strategy, the Statement of Commitment to the Aboriginal communities of Toronto, the Integrating Cities Charter, and Strategic Action 11 of the City's 2013-2018 strategic plan which directs staff to develop and implement a social procurement policy.

The Program aims to drive inclusive economic growth by improving access to the City's supply chain for diverse suppliers and leveraging meaningful training and employment opportunities for people experiencing economic disadvantage, including those belonging to equity-seeking communities. The Program creates a foundation to shift the City's procurement culture long-term, showing how all divisions can make a positive impact on the City's poverty-reduction goals.
RECOMMENDATIONS

The Executive Director, Social Development, Finance and Administration Division, and the Treasurer recommend that:

1) City Council adopt the City of Toronto Social Procurement Program summarized in Appendix A together with the Social Procurement Policy detailed in Appendix B;

2) City Council direct the City Manager to work with all City division heads to collaboratively implement the City of Toronto Social Procurement Program;

3) City Council request the City Agencies and City Corporations to develop and implement similar programs and policies; and

4) City Council request the Director, Purchasing and Materials Management and the Executive Director, Social Development, Finance and Administration to report back to Executive Committee in 2018 on the progress of the City of Toronto Social Procurement Program.

Financial Impact

The 2016 Approved Operating Budget for the Social Development and the Office of the Treasurer includes funding of $0.065 million for 1 permanent position with the cost of the position to be shared evenly between the two Divisions, with the annualization of $0.025 million included in the Outlooks for the two divisions.

Subsequently, the City has received a one-time grant of $0.220 million from the Atkinson Foundation to support the addition of 1 temporary position over a two-year period, required to engage the broader public sector community in activities that support social procurement principles and practices through the AnchorTO network.

Funding for this position was approved by Council at its meeting of March 31, 2016, and will be included in the 2016 Operating Budget for Social Development, Finance and Administration.

The adoption of the City of Toronto Social Procurement Program will have no additional financial implications.

The Deputy City Manager & Chief Financial Officer has reviewed this report and agrees with the financial impact information.
EQUITY IMPACT STATEMENT

The City of Toronto Social Procurement Program provides equitable access to economic opportunities to people experiencing economic disadvantage, discrimination and/or barriers to equal opportunity, including those from equity-seeking communities protected by human rights legislation. These communities include, but are not limited to, women, Aboriginal people, racial minorities, persons with disabilities, newcomers, and LGBTQ+ persons. The Program equalizes access to the City's procurement processes for diverse suppliers, including social purpose enterprises, who experience inequitable barriers to accessing City competitive procurement processes. The Program also leverages employment, training and apprenticeship opportunities for people experiencing economic disadvantage. In doing so, the Program aims to achieve positive economic outcomes for people who are disproportionately affected by poverty and discrimination.

DECISION HISTORY

On April 10 and 11, 2012, City Council requested that the 2015 Pan Am Games Organizing Committee include social procurement criteria when awarding municipal contracts. City staff were also requested to develop a framework for implementation of best practices, targets, benchmarks, and an ongoing process for social procurement beyond the Games in 2015. (http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.GM12.18)

On May 7, 8, 9 and 10, 2013, City Council adopted the Toronto Social Procurement Framework, a plan for developing a Social Procurement Policy for the City of Toronto. (http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.EX31.11)

On February 19 and 20, 2014, City Council adopted a motion directing staff to explore options for amending City procurement processes and policies to encourage and/or require hiring of people from Aboriginal communities for City contracts, and report on progress made to the Aboriginal Affairs Committee (http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.EX38.2)

On August 25, 26, 27 and 28, 2014, City Council received an update on the Toronto Social Procurement Framework for information and directed staff to include youth employment in the development of the final policy. (http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.EX44.17)

On November 3 and 4, 2015, City Council adopted TO Prosperity: Toronto Poverty Reduction Strategy, which recommends that the City leverage the economic power of the City to stimulate job growth, support local businesses, and drive inclusive economic growth, including designing and implementing a City social procurement policy. (http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX9.5)

On December 9 and 10, 2015, City Council directed City staff to consider as part of the Social Procurement Policy requirements, hiring people who identify as Aboriginal.
On February 17, 2016, City Council approved the 2016 Operating Budget which authorized staff to hire a Purchasing Coordinator to support the implementation of the City of Toronto Social Procurement Program.

On April 1, 2016, City Council approved Notice of Motion MM17.13 authorizing Social Development, Finance and Administration to receive grant funding from the Atkinson Foundation and amend its operating budget and staff complement to implement the complementary AnchorTO public sector community of practice initiative.

ISSUE BACKGROUND

Social procurement is the achievement of strategic social, economic and workforce development goals using an organization’s process of purchasing goods and services. The City of Toronto has a long history of using its procurement to achieve its strategic goals. From policies related to Fair Wage and Non-Discrimination to Environmental Responsibility and "No Sweatshop," City Council has systematically created a culture of social procurement with policies and practices that promote and contribute to a fairer, more ethical, and more sustainable city since 1893.

City Council continued this tradition in May 2013 when Council adopted the Toronto Social Procurement Framework. This framework directed staff to investigate how to alleviate economic disadvantage by embedding supply chain diversity and workforce development in the City's procurement process.

Over an 18 month process, staff have led nine (9) pilot projects to determine how best to (a) make access to the City's supply chain more equitable (supply chain diversity); and (b) how to use City procurement projects to leverage employment and training opportunities for people experiencing economic disadvantage (workforce development).

The proposed City of Toronto Social Procurement Program outlined in this report draws on the learnings from these pilots as well as best practices from other jurisdictions. The Program will ensure that the City considers opportunities for supply chain diversity or workforce development whenever the City procures goods and services, professional services, and construction services, and provides the necessary support structures to ensure the effective implementation of the Program. In doing so, the City will help drive economic growth in Toronto that includes those experiencing economic disadvantage, discrimination and barriers to equal opportunity.

The Program will also ensure that the City's procurement processes are aligned with a broader public sector movement towards embedding community benefits in public sector procurement, including:
• **Metrolinx / Eglinton Crosstown LRT Line**: Project agreement includes requirement to incorporate community benefits in the construction of the project to maximize employment and subcontracting opportunities for equity-seeking communities.

• **University of Toronto Scarborough**: Embedding apprenticeship and local employment opportunities in their campus redevelopment master plan.

• **Toronto Community Housing Corporation**: Developing a Community Economic Development and Social Procurement Policy to include "social enterprise businesses" in their procurement process and place TCHC residents in employment, training and entrepreneurship opportunities.

The Program is also aligned with the recently passed Ontario *Infrastructure for Jobs and Prosperity Act (2015)* which requests that public sector entities, including municipalities consider how:

> Infrastructure planning and investment should promote community benefits, being the supplementary social and economic benefits arising from an infrastructure project that are intended to improve the well-being of a community affected by the project, such as local job creation and training...improvement of public space within the community, and any specific benefits identified by the community. ¹

Finally, the Program aligns with efforts within the federal Ministry of Public Services and Procurement where the Minister has been tasked with considering ways to embed social procurement in the Government of Canada's procurement processes² and the Ministry of Employment and Social Development, which is exploring the creation of a Canadian Poverty Reduction Strategy³.

**COMMENTS**

**Purpose and Goals**

Social procurement is a core poverty reduction policy. In unanimously approving the Toronto Poverty Reduction Strategy, City Council directed staff to improve essential services that assist residents to meet basic needs, create opportunities for working families unable to build stable lives, and address the systemic causes of poverty. These directions recognize that Toronto's ever-rising cost of living makes it hard for too many residents to make ends meet, that precarious jobs make it nearly impossible for families to save and prosper, and that poverty disproportionately and systematically affects some population groups more than others.

¹ *Infrastructure for Jobs and Prosperity Act, Section 3(9),* <http://www.ontla.on.ca/web/bills/bills_detail.do?locale=en&BillID=2998>


The incidence of low-income persons in Toronto (19%) is significantly greater than in Canada (14.9%) and Ontario (13.9%). Recent immigrants (46%), Aboriginal people (37%), female lone-parent families (37%), members of racialized groups (33%), and people with disabilities (30%) have higher rates of poverty than the general population. Similar patterns exist for unemployment rates and the trends persist over time. And while existing data sources are not yet disaggregated to include groups such as the LGBTQ+ community and youth experiencing vulnerabilities, qualitative evidence points to significant challenges with achieving equitable economic outcomes in these communities as well.

Drawing on international best practices, the Toronto Poverty Reduction Strategy recommends actions the City can adopt to address the systemic causes of poverty, using existing resources. Adopting social procurement practices is one of these actions (Recommendation #13).

Every year the City awards an average of $1.8 billion of goods and services, professional services, and construction services. A growing number of public institutions across the globe, including in Toronto, have shown it is possible to leverage these kinds of expenditures to create economic opportunities for those disproportionately affected by poverty. As a recent report by the Atkinson Foundation and Mowat Centre illustrates, if even as little as 2% of the City’s procurement leads to benefits for Toronto's economically-depressed neighbourhoods or to people experiencing economic disadvantage, this would amount to a $30 million investment in those communities. In addition, increasing employment opportunities for traditionally disadvantaged groups on the margins of—or excluded from—the labour market will yield further economic and social benefits, not just to these individuals and communities, but also to the city as a whole. From this perspective, a more inclusive approach to procurement represents a deliberate City strategy to support broader City social, economic and workforce development goals, while minimizing, through a carefully crafted policy framework, risks to the City and to the integrity of the City's procurement processes.

For example, the City can proactively seek quotations from diverse suppliers who are often overlooked when goods and services are procured, as City divisions often do when procuring from social purpose enterprises to cater community events. The City can also create training, employment or apprenticeship opportunities when the City invests in infrastructure as it did for local youth during the development of the 1652 Keele Street Community Hub.

The Program outlined in this report, therefore, is designed to achieve two key goals:

1. Increase the diversity of the City's supply chain by providing diverse suppliers with equitable access to competitive City procurement processes; and

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2. Increase the number of employment, apprenticeship and training opportunities leveraged for people experiencing economic disadvantage, including those from equity-seeking communities.

As one of the first large municipalities in Canada to implement supplier diversity and workforce development in ongoing operational processes, the Program will encourage other public sector institutions in Toronto to embed social procurement in their own practices, contributing to a vibrant all-of-government approach to creating social impact.

The Program will also help improve the competitiveness of Toronto businesses when competing for public sector procurement. Many other jurisdictions around the world often include social impact requirements in public sector procurement. However, businesses in the Greater Toronto Area lag behind businesses from other jurisdictions when it comes to implementing initiatives like supplier diversity programs. Experience with the City of Toronto Social Procurement Program will help GTA businesses to engage with such requirements in other jurisdictions.

**Learnings from 2013-2015 Pilot Process**

City staff have engaged in nine (9) pilot projects to learn how social procurement can be effectively embedded in City processes. Appendix C summarizes the nine pilot projects. Overall, four key learnings from the pilot projects consistently emerged.

1. **Need for Clear Guidelines and an Enabling Policy Environment**

For City divisions, supply chain diversity and workforce development is new and it is not always clear how procurements should embed social procurement. There is also significant risk aversion among staff in adding unfamiliar requirements to procurement without clear processes or guidelines. As a result, the pilots could not always include social procurement requirements. The most successful pilots were those where social procurement requirements could be clearly identified early in the project planning process rather than being considered only when the project was fully specified. This allowed project managers to understand and become comfortable with the expectations for social procurement and ensure components of the project could provide meaningful opportunities.

2. **Need for Tools, Guides and Support Systems**

The pilot process identified gaps in knowledge and support structures that limited what could be achieved. For example, some diverse suppliers were not aware of what the City purchases or how to do business with the City. In turn, City divisions needed better lists of diverse suppliers to understand how and where to diversify the City's supply chain.

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Larger suppliers also did not have much experience integrating workforce development initiatives into projects.

Staff were unable to collect needed data to fully understand the diversity of the City's supply chain. This inability was due to limitations in the existing information and technology tools available to PMMD.

As a result of these knowledge gaps, much of the work in the pilot stage was spent educating stakeholders on what social procurement means in a public sector context, entering into partnerships with supplier certification bodies, creating template contract language, developing workforce development models, and understanding the limitations of the existing supply chain management system.

Divisions need robust, verified lists of diverse suppliers to engage in supply chain diversity. The development of enhanced data collection tools are also needed to ensure that the implementation of the Program is properly tailored to address community needs.

3. Need for Dedicated Internal Staff Training and Support

The pilot process revealed a need for dedicated staff resources to support social procurement. Internally, City divisions do not have much experience engaging in supply chain diversity and workforce development. There are also no established City processes to connect City procurement projects with the targeted social, economic and workforce development initiatives from Social Development, Finance Administration (SDFA), Economic Development and Culture (EDC), Toronto Employment and Social Services (TESS) or Shelter Support and Housing Administration (SSHA).

With no existing subject-matter expert to coordinate the work, the social procurement development team was continuously required to provide ad hoc support to divisions that are ultimately responsible for managing their individual procurements. Training of management and line staff in understanding social procurement along with equity and diversity training is important to implement and sustain the City's social procurement activities. Indeed, other jurisdictions engaging in social procurement, such as the City of Chicago, the City of Atlanta, and the Government of Scotland have dedicated units or engage community-based intermediaries to support the success of social procurement. Similar dedicated staff support within the City, centrally located in PMMD is required to successfully steward social procurement for all City divisions.

4. Need for Supplier and Community Capacity Building and Outreach

Systematic use of City procurement as a tool to drive inclusive economic growth requires that multiple City divisions work in a coordinated way. Effective social procurement requires that City procurement opportunities are aligned with the kinds of resources that community agencies and diverse suppliers can supply. Similarly, community agencies and diverse supplier organizations need advance notice of what City divisions plan to procure so that they can develop appropriate programs to do business with the City.
Without this kind of matching and alignment, it will be difficult to connect residents and businesses in communities with appropriate City social procurement opportunities.

While the City does engage in community-based business and workforce development initiatives, such as those offered by EDC (through Enterprise Toronto), TESS, and SDFA, the pilot process revealed that few of these initiatives specifically incorporate City procurement opportunities as part of their programs. In turn, PMMD and City divisions who are procuring goods and services do not systematically consider incorporating the City's broader social development and poverty reduction activities. Through better coordination among all City divisions, there is significant potential to ensure that the City's social, economic and workforce development initiatives are connected to City procurement activities.

**Consultations**

In addition to consultations reported on in 2014 as part of the *Update on the Social Procurement Framework* (EX44.17), staff have conducted targeted engagement with a broad range of stakeholders including internal City divisions, community agencies, trade associations, construction industry representatives, and other orders of government, to inform the final phase of program development. These consultations include:

- Construction associations through the Broader Construction Association Consultation Group.
- Construction trade groups such as the Central Ontario Building Trades and Ontario College of Trades.
- Key City divisions including Facilities, Solid Waste Management Services, and Engineering and Construction Services.
- Public sector institutions including Toronto Community Housing Corporation, Toronto Transit Commission, Toronto Public Library, Ministry of Government and Consumer Services, Treasury Board Secretariat, Supply Chain Ontario, the Ministry of Economic Development, Employment and Infrastructure, and Toronto-based colleges and universities.
- The United Way of Toronto and York Region including the Toronto Enterprise Fund and Social Purchasing Project.
- International experts from the United States and Scotland.
- Community partners and agencies engaged with social purpose enterprises and workforce development programs.
- Non-profit supplier diversity organizations who certify businesses as diversely owned, controlled and managed.

Feedback received through these consultations has validated the learnings from the pilot process and has been incorporated in the final program design.
Program Components

Based on the pilot learnings and insights from the consultation process, staff will engage in four components of work to implement the City of Toronto Social Procurement Program, as summarized in Appendix A of this report.

Social Procurement Policy

The first component of the Program is implementation of a new purchasing policy that authorizes staff to embed supply chain diversity and workforce development in City procurement. This policy, detailed in Appendix B, provides clear guidelines on how the City will implement social procurement processes while ensuring compliance with applicable laws, regulations, policies, strategies, collective agreements and upcoming trade agreements (e.g. Comprehensive Economic and Trade Agreement/CETA).

For supply chain diversity, the City will take proactive steps to include diverse suppliers (enterprises owned, controlled and managed by equity-seeking communities, as well as social purpose enterprises) in the City's procurement process. To ensure the integrity of the Program, the City will require certification of diverse suppliers through established non-profit supplier certification organizations. Appendix D describes various industry-standard certification requirements. These diverse suppliers will be included in the City’s procurement process in two ways:

- For procurement between $3,000 and $50,000 in value, divisions will be required to seek at least one (1) quotation from a diverse supplier as part of the Divisional Purchase Order process.
- For procurement over $50,000 in value, for which there is a competitive procurement process, suppliers will be encouraged to develop their own supplier diversity programs.

Together, these approaches will help ensure that access to the City's supply chain is more equitable for diverse suppliers. This policy will also be coupled with customized outreach explaining how to do business with the City and providing information on the types of goods and services that the City procures.

For workforce development, City procurement staff will work with divisions to identify potential workforce development opportunities from the annual procurement plans submitted to PMMD. To maximize the impact of the workforce development initiatives relative to the resources required to support the work, procurement projects over $5 million in value will be reviewed based on the following principles:

- Suitability – the degree to which possible employment-related opportunities can provide candidates with meaningful experience, learning and skill development.
- Reach – the degree to which candidates can meet the minimum qualifications needed to access possible employment opportunities.
Volume – the number of employment opportunities that could be offered as part of the procurement project.

Feasibility – likelihood that workforce development outputs can be achieved within the proposed timeframe of the contract.

Procurements selected for workforce development will require bidders to commit to engaging in workforce development or will award points to proponents who submit a workforce development plan. The City will leverage existing employment service network partnerships and jobseeker pipelines from TESS, SDFA and SSHA to support these projects.

**Tools, Guides and Support Systems**

The second component of the City of Toronto Social Procurement Program will be to develop tools, guides and support systems to engage in social procurement. This includes developing accessible guides, providing project templates and approved contract language to be used by staff when developing procurement documentation. Lists of diverse suppliers will also be made available to staff.

Staff will also implement improved data collection tools to establish baseline data and establish appropriate procurement targets. Improved data collection will ensure that the Program is effectively tailored to reduce systemic economic disadvantage, discrimination and remove unnecessary barriers. This includes implementing a new supply chain management system, including software and technical infrastructure, that will enable staff to more effectively collect, monitor, and act upon data relating to the City's procurement spending.

**Internal Staff Training and Support**

City staff will be trained so that all City divisions can effectively embed social procurement in their work. The use of existing tools, such as the City of Toronto's Equity Lens, will help all City divisions understand the expectations related to social procurement and how they can contribute to poverty reduction.

In addition, a dedicated staff position, approved in the 2016 Budget and funded jointly by PMMD and SDFA will be added to the City's staff complement to support the implementation of the Program. This staff position will provide a much-needed dedicated resource to provide full-time coordination of the various stakeholders who must be involved in effectively implementing social procurement within the City. It should be noted, however, that while a single dedicated staff resource will create a foundation for future work, more ambitious social procurement targets and outcomes would only be achievable with further investments in staff resources to support the work.
Supplier Community Capacity Building and Community Outreach

The final component of the City of Toronto Social Procurement Program will be to build capacity in key sectors so that diverse suppliers and people experiencing economic disadvantage can take better advantage of the opportunities that will be created through supply chain diversity and workforce development initiatives. This includes:

- Sharing information early in the planning stages to ensure that there is sufficient capacity to engage in City procurement.
- Identifying City projects that can provide meaningful opportunities for training and employment to candidates within existing workforce development pipelines.
- Reaching out to diverse suppliers and encouraging them to become certified for inclusion in the supply chain diversity program.
- Strengthening system-wide workforce development pipelines through improved coordination among employment service organizations.
- Providing targeted business development support so that diverse suppliers are able to compete for City contracts.
- Engaging with community networks to provide entrepreneurship training to create community-based enterprises that can provide goods and services to the City.

Staff from PMMD, SDFA, EDC, TESS and SSHA will work collectively and collaboratively to assist diverse suppliers in building their capacity to compete for City contracts and meaningfully participate in workforce development employment pipelines.

Program Scope

The Program will be focussed on addressing economic disadvantage, discrimination, and/or barriers to equal opportunity experienced by people in Toronto. This includes those distant from the labour market, such as youth experiencing vulnerabilities, and those from equity-seeking communities who have historically faced discrimination preventing equitable access to economic opportunities. These groups include, but are not limited to:

- Aboriginal People
- Racialized groups/visible minorities
- Persons with disabilities
- Newcomers / new immigrants
- Women
- LGBTQ+ people

Implementation Timeline

In 2016, staff will develop the required procedures and additional support resources to begin implementation of the Program. The dedicated staff resource, approved in the 2016
Operating Budget, will also be hired to support the Program. Staff will work with divisions to identify competitive procurement over $5 million in value that will include workforce development requirements, and begin implementation of revised Divisional Purchase Order procedures across the City.

In 2017, the first wave of competitive procurement with workforce development requirements will be made public and awarded. Appropriate staff will work with successful vendors to further develop and initiate the individual supply chain diversity and workforce development plans.

Staff will report back to Council in 2018 on the progress to date and any additional steps or resources required to successfully implement program goals. This status update will also identify baseline data and targets to be achieved by 2021, which will coincide with five years of program implementation.

**Complementary Initiatives**

**AnchorTO**

The City of Toronto Social Procurement Program complements a broader initiative to create new economic benefits for low-income Torontonians. Since fall 2014, a network of 18 anchor institutions, including three provincial ministries, Metrolinx, colleges and universities and City agencies and corporations, have come together to learn about what social procurement is and what it can accomplish. Launched and facilitated by the City of Toronto and the Atkinson Foundation, these institutions represent over $17 billion in combined annual collective procurement spend.

Over the next two years, network members will take concrete steps to use their purchasing power to create training, employment and other economic opportunities for low-income residents including those from equity-seeking communities. The City's experience in developing and implementing its own Social Procurement Program will provide invaluable experience to the AnchorTO network on how to effectively pursue similar strategies.

AnchorTO is based at the City of Toronto and is supported by a two-year $211,470 grant from the Atkinson Foundation. The grant allows the City to provide staffing and support for AnchorTO programming in 2016 and 2017, with possible extension to 2018 if required.

**Encouraging Aboriginal Suppliers**

In February 2014, City Council directed staff to explore options to encourage and/or require Aboriginal hiring as part of the City's procurement process. Through the pilot period, staff consulted with the Aboriginal Affairs Committee on two occasions, engaged with the Canadian Aboriginal and Minority Supplier Council, and worked with the Government of Ontario to learn more about the provincial Buy Aboriginal Program.
The social procurement approach outlined in this report responds to Council direction in several ways. It specifically includes Aboriginal Peoples as a targeted equity-seeking community for supplier diversity and incorporates the Canadian Aboriginal and Minority Supplier Council (CAMSC) database as part of the supplier diversity program. Businesses owned/controlled by Aboriginal People and social purpose enterprises who engage Aboriginal Peoples will be included in City procurement.

By explicitly identifying external capacity building and outreach as a core component of social procurement, the City will also embed supplier diversity and workforce development opportunities into the community development work with Aboriginal Peoples that is already occurring across City divisions.

Finally, the City will continue to engage the Aboriginal Affairs Committee to ensure that the targeted outreach and capacity resources that are developed for Aboriginal Peoples respond to community needs.

**Focus on Youth Employment**

In August 2014, City Council directed staff to include a focus on youth employment. Youth employment is a key priority for the City as growing numbers of youth struggle to find work, balance multiple, insecure contracts and identify pathways to better jobs and careers.

For example, TESS's strong relationship with SDFA's Youth Employment Partnership (YEP) network ensures continuous support for hundreds of young jobseekers. Through programs such as the Partnership to Advance Youth Employment (PAYE) and the new Toronto Youth Partnerships and Employment Program (TYPE) approved by City Council in the 2016 Operating Budget, vulnerable youth are provided with job-readiness coaching, pre-apprenticeship skills training, and access to employment opportunities.

The City of Toronto Social Procurement Program will incorporate these and other youth-focused workforce development initiatives already in place. These programs will recruit, train and support youth to be ready for City procurement projects and once on the job, continue to work with them to ensure job stability is maintained.

**Conclusion**

Procurement processes are in place to prioritize principles of openness, fairness, competitiveness and consistency. However, as the Bellamy Commission stated, "effective procurement [for government] should also be measured by social, environmental, and other benefits to the community. Balancing price with these qualitative dimensions is at the heart of effective best-value procurement in the public sector."

Therefore, the major contribution of City of Toronto Social Procurement is to shift organisational procurement culture by explicitly authorizing the practice of social
procurement, while providing the necessary tools, resources and supports to enable the success of this work. The Program creates a process that is open, fair, competitive, transparent and consistent and that aligns with new provincial legislation and a broader public sector movement. In implementing the policy, multiple divisions will work together to build capacity to leverage City procurement to create positive social impact, and develop community capacity to encourage entrepreneurship, build community wealth, improve the global competitiveness of Toronto businesses, and reduce poverty.

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Executive Director  
Social Development, Finance & Administration

Mike St. Amant  
Treasurer

ATTACHMENTS

Appendix A – City of Toronto Social Procurement Program Summary  
Appendix B – Social Procurement Policy  
Appendix C – Summary of Pilot Projects  
Appendix D – Supplier Certification Organization Requirements
Appendix A:  
City of Toronto Social Procurement Program Summary

Program Goals

1. Increase the diversity of the City's supply chain by providing diverse suppliers with equitable access to competitive City procurement processes.

2. Increase the number of employment, apprenticeship and training opportunities leveraged for people experiencing economic disadvantage, including those from equity-seeking communities.

Program Components

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<th>Component</th>
<th>Activities</th>
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<tr>
<td>Enabling Policy (Summary of Appendix B)</td>
<td>Supply Chain Diversity</td>
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<td>Contracts under $50,000 in value:</td>
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<td>All divisions will attempt to include at least one quotation from a diverse supplier as part of Divisional Purchase Orders. Diverse suppliers must be certified by a recognized supplier diversity certification organization (CAMSC, WBE Canada, CGLCC, Social Purchasing Project are examples)</td>
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<td>The Chief Purchasing Official will have the delegated authority to increase the requirement from at least one quotation from a diverse supplier to a higher number of quotations if there is sufficient capacity in the marketplace.</td>
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<td>Contracts over $50,000 in value:</td>
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<td>In Tenders and Request for Quotations, suppliers will be encouraged to adopt a supplier diversity program. Where the City is evaluating suppliers (primarily Request for Proposals), points may be awarded to suppliers who propose a supplier diversity program.</td>
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<td>In cases of tied bids, ties can be broken by one supplier being a diverse supplier.</td>
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<td>Workforce Development</td>
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<td>Contracts over $5M in value:</td>
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As part of the review of annual procurement plans, PMMD will work with City divisions to identify planned procurement that are over $5 million in value. Projects will be selected based on suitability, reach, volume and feasibility (see Appendix B, Section 2.1.2).

**Tools, Guides and Support Systems**

- Work with supplier diversity certification organizations to acquire lists of diverse suppliers.
- Develop specification templates, contract language and evaluation guidelines to be used in competitive procurement process.
- Develop guides to assist suppliers in implementing their own supplier diversity programs and workforce development programs.
- Implement data collection systems to track the amount of procurement directed to diverse suppliers and the number of individuals engaged in workforce development programs.
- Conduct ongoing monitoring of social procurement spend.

**Internal Staff Support**

- Hire dedicated staff resource to coordinate social procurement activities.
- Maintain customized lists of diverse suppliers appropriate to the needs of each division.
- Use the City's Equity Lens to educate staff on social procurement and poverty reduction.
- Educate staff about diverse suppliers who are qualified to provide goods/services.
- Educate staff about workforce development programs that can be incorporated into procurement projects.
- Identify areas where diverse suppliers should be identified.
- Identify areas where workforce development pipelines should be developed.
- Assist host divisions in preparing competitive procurement documents.
Assist host divisions in evaluating social procurement proposals from proponents in competitive procurement processes.

**Supplier and Community Capacity Building**

- Targeted communication of potential City procurement opportunities on an ongoing basis.
- Provide targeted business development support to improve the competitiveness of smaller diverse suppliers when participating in City procurement processes.
- Encourage and help small businesses and social purpose enterprises to become certified as diverse suppliers.
- Support supplier diversity certification organizations in developing lists of diverse suppliers.
- Work with community agencies to identify where workforce development programs can be most effective.

**Output Indicators**

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<th>5-year target (2021)</th>
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<td>Number of competitive procurements selected to include a workforce development component.</td>
<td>33% of competitive procurement over $5M in value</td>
<td>75% of proposals received include a workforce development proposal.</td>
<td>Target based on applying the criteria set out in the policy to procurements over $5 million and the capacity to manage social procurement process with current approved staff resources.</td>
</tr>
<tr>
<td>Number of proposals received for Request for Proposal (RFP) projects that include a workforce development proposal.</td>
<td>33% of proposals received include a workforce development proposal.</td>
<td>75% of proposals received include a workforce development proposal.</td>
<td>A goal of the Program is to build awareness and capacity over time so that the majority of proponents are able to propose and engage in workforce development.</td>
</tr>
<tr>
<td>Number of diverse suppliers included in City of Toronto supply chain, whether as a direct supplier or a subcontractor.</td>
<td>Baseline and targets established.</td>
<td>Initial targets achieved. New targets established for further expansion of Program.</td>
<td>Procedures and systems will be developed to systematically monitor supply chain.</td>
</tr>
<tr>
<td>Number of direct suppliers in competitive procurements that are developing or have developed their own supply chain diversity policy.</td>
<td>25% of direct suppliers have or are developing a supply chain diversity policy.</td>
<td>50% of direct suppliers have or are developing a supply chain diversity policy.</td>
<td>City staff will work with suppliers to encourage and promote the value of supplier diversity initiatives.</td>
</tr>
</tbody>
</table>
Appendix B:
Social Procurement Policy

Purpose and Policy Statement

To embed supply chain diversity and workforce development initiatives within the City's Procurement Processes to drive inclusive economic growth.

General Principles

This policy will conform to the following principles

- Addresses economic disadvantage, discrimination, and barriers to equal opportunity, particularly among equity-seeking communities, that disproportionately experience unemployment and underemployment, discrimination, or barriers to equal opportunity;
- Adheres to the highest standards of ethical conduct and maintains consistency with other City of Toronto policies and procedures;
- Works to build a culture of social procurement;
- Establishes an effective balance between accountability, transparency and efficiency;
- Complies with all applicable laws (including trade agreement implementing legislation), regulations, by-laws, policies, including the Ontario Human Rights Code, the Ontario College of Trades and Apprenticeship Act, and any collective agreements which imposes obligations on the City or its suppliers;
- Achieves best value for the City of Toronto through the consideration of the full range of procurement formats and the adoption of commercially reasonable business practices.

Applicability and Exemptions

The policy applies to City of Toronto competitive purchases above $3,000 except as set out in the policy.

In the event of any conflict with this Policy and either Chapter 195 of the Municipal Code or the City's Procurement Processes Policy, Chapter 195 governs first and the Procurement Process Policy governs second.
Definitions

In addition to definitions in the Purchasing By-law and the Procurement Processes Policy, the following terms shall have the meanings indicated:

"Apprentice"

An apprentice is an individual who has entered into a registered training agreement under which the individual is to receive training in a trade required as part of an apprenticeship program as defined by the Ontario College of Trades and Apprenticeship Act, 2009.

"Candidate" or "Persons"

Someone that has experienced or is experiencing economic disadvantage, discrimination, and/or barriers to equal opportunity.

"Equity-seeking Community"

An equity-seeking community is a group that experiences discrimination or barriers to equal opportunity, including women, Aboriginal People, persons with disabilities, newcomers/new immigrants, LGBTQ+ people, visible minorities/racialized people, and other groups the City identifies as historically underrepresented.

"Diverse Supplier"

A diverse supplier is any business or enterprise that is certified by a Supplier Certification Organization to be:

- More than 50% (majority) owned, managed and controlled by persons belonging to an equity-seeking community, or

- A social purpose enterprise whose primary purpose is to create social, environmental or cultural value and impact, and where more than 50% of the persons who are full-time equivalent employees or are participating in, or have completed, transitional employment training, experience economic disadvantage.

"Supplier Certification Organization"

A supplier certification organization is a non-profit organization recognized by the City of Toronto that certifies businesses and enterprises as diverse suppliers by assessing them using established, consistent criteria.

"Workforce Development"

Workforce development comprises a wide range of activities, policies and programs that seek to better serve – and better connect -- job seekers and employers. As a result of doing this, workforce development creates and maintains the kind of skilled workforce that is needed to meet the current and future needs of business and industry. Workforce Development integrates human service support, industry-driven education and training, and career advancement strategies, facilitated by the collaboration between employers,
training and education institutions, government and communities. Workforce Development activities can include but are not limited to:

- **Customized Recruitment**

  Customized recruitment initiatives involve needs-based approaches to sourcing qualified candidates for available jobs, developed and implemented in conjunction with existing hiring methods in order to enhance and augment typical talent pools.

- **Training and Work-based Learning Skills Development**

  Training includes programming that allows candidates to formally gain the skills required to compete for emerging job opportunities. Activities may include supporting the development and delivery of industry recognized training components and supporting the attainment of professional certifications or licensing for specific candidate groups (e.g., Newcomer professionals, youth, etc.).

  Work-based learning involves a continuum of activities with an emphasis on learning in a real work environment and through practice on the job. Activities range from shorter and less formal workplace exposure (e.g., workplace tours and job shadowing) to longer term and more intensive (e.g., paid internships with specific skill development objectives).

- **Opportunities for Registered Apprenticeships during Construction**

  Identify opportunities to hire, directly and/or through subcontractors, registered apprentices through apprenticeship training programs that provide candidates with access to the skilled trades.

- **Use of Social Enterprise in the Supply Chain**

  Identify opportunities to sub-contract, where required, components of work or services to social enterprises that employ business methods and practices to create employment or training opportunities for workforce development candidates.

- **Other Activities**

  Any other appropriate activities that will provide employment-related opportunities to candidates will also be considered as workforce development activities. These activities may include (but are not exclusive to) the following:

  - Participating in sector/industry career information sharing, learning and networking events
  - Providing mentoring through established mentorship programs
  - Supporting pre-employment workshops such as resume and interview skills development
Policy

1.0 Supply Chain Diversity

1.1 Supplier Information

Purchasing and Materials Management shall collect information on a regular basis regarding the demography of suppliers to assess the composition of the City's supply chain.

1.2 Increasing Access for Small and Medium Sized Businesses to Divisional Purchase Orders ($3,000 up to and including $50,000)

1.2.1 Purchasing and Materials Management Division will work with supplier certification organizations to obtain a list of diverse suppliers.

1.2.2 As part of the City's Divisional Purchase Order Process, City divisions shall review the list obtained under Section 1.2.1 and, where feasible, attempt to include at least one (1) quotation from a diverse supplier when undertaking the Divisional Purchase Order process.

1.2.3 The Chief Purchasing Officer, in consultation with the Executive Director, Social Development, Finance and Administration, will have the authority to increase the requirements of Divisions to include more than one (1) quotation as part of the Divisional Purchase Order process as necessary in order to achieve the goals of diversifying the supply chain.

1.2.4 Divisions procuring construction services using the Divisional Purchase Order procedure are exempted from this section.

1.3 Encouraging Vendors to Develop Supply Chain Diversity Policies in purchases $50,000 and above

1.3.1 In Tenders and Request for Quotations issued by Purchasing and Materials Management, language will be added to encourage bidders to develop or adopt a supplier diversity policy that aims to include diverse suppliers in their supply chain.

1.3.2 In Request for Proposals issued by Purchasing and Materials Management, language will be added to the evaluation of proposals that includes means to improve supplier diversity in the supply chain.

1.3.3 The City will provide suppliers with guidance and information on how to respond to the supplier diversity requirements under Sections 1.3.1 and 1.3.2.
1.4 **Tied Bids**

Prior to applying the process set out in the Procurement Processes Policy, in a circumstance where a tied bid occurs, the award will be provided to a diverse supplier. If all the bidders within the tie are diverse suppliers, then the normal tied bids procedure shall apply.

2.0 **Workforce Development**

2.1 **Identifying Procurements Suitable for Workforce Development**

2.1.1 Workforce development provisions set out in Section 2 will apply to all call documents with an anticipated value over $5 million (including option years) subject to Sections 2.1.2.

2.1.2 Purchasing and Materials Management Division, in consultation with City Divisions will review the potential call documents identified in Section 2.1.1 to determine if the procurement of goods and services is viable for workforce development opportunities on the basis of the following principles:

a. **Suitability** – the degree to which possible employment-related opportunities can provide candidates with meaningful experience, learning and skill development.

b. **Reach** – the degree to which candidates can meet the minimum qualifications needed to access possible employment opportunities.

c. **Volume** – the number of employment opportunities that could be offered as part of the procurement project.

d. **Feasibility** – likelihood that workforce development outputs can be achieved within the proposed timeframe of the contract.

2.1.3 Purchasing and Materials Management Division, in consultation with Social Development, Finance and Administration Division and Employment & Social Services Division, will develop procedures to prioritize and select the most appropriate procurement projects for inclusion of workforce development requirements based on the criteria in Section 2.1.2.

2.1.4 All workforce development requirements identified in Section 2 must be compliant with any collective agreement(s) to which the City is bound in the construction industry and must be consistent with construction industry collective agreements that may be applicable to the work in question.

2.2 **General Workforce Development Requirements for Identified Procurements**
2.2.1 For the procurements identified in Section 2.1, the City shall require the bidders or proponents, as part of the procurement process, to provide to the City a commitment respecting workforce development in the event of a successful bid or proposal.

2.2.2 The City shall not consider the bid of a bidder or the proposal of a proponent that is required to provide, as part of the procurement process, a commitment under Section 2.2.1 and fails to do so.

2.2.3 For all competitive procurements identified in Section 2.1, the City will include the following:

a. The requirement to designate a liaison within the bidder or proponent's organization who will implement and maintain the workforce development plan;

b. The frequency of mandatory meetings that will be included for meeting with designated City staff to review workforce development activities, future opportunities and related outcomes; and,

c. The requirement that the successful bidder or proponent maintain records of workforce development progress and outcomes to be shared with the City at agreed intervals throughout the contract and upon request by the City.

d. The requirement that the successful bidder or proponent makes the agreed upon plan for workforce development available to the public as directed by the Chief Purchasing Official.

2.2.4 Where the identified procurement is being procured using a Pre-qualification or a Request for Proposal, the Pre-qualification or Request for Proposal shall clearly identify to proponents the types of strategies that can be proposed as a workforce development plan and the associated evaluation criteria that is aligned with the principles set out in Section 2.1.2, that will be used to score the proposed workforce development plan. The evaluation team will include the appropriate staff with relevant/appropriate experience to evaluate the plan.

2.2.5 Where the identified procurement is pursued using a Request for Quotation or Tender, the City shall set out the expected minimum required workforce development plan, aligned with the principles identified in Section 2.1.2, that the bidder will have to meet.

2.3 Disqualification

2.3.1 If the successful bidder or proponent fails to implement their workforce development plan as proposed and agreed upon with the City in two separate
instances over a period of three years inclusive, the Chief Purchasing Official may recommend to the Government Management Committee that the said bidder or proponent be disqualified from conducting business with the City for a period of two years, inclusive.

a. The disqualification period will start from the day of the decision of Council.

b. After the disqualifying period is over, the said bidder or proponent will be placed on probation for the next year. If another failure to implement the agreed upon workforce development plan occurs, the Chief Purchasing Official may recommend to the Government Management Committee that the bidder or proponent be disqualified from conducting business with the City for an indefinite period of time.

c. Disqualified firms will be published on the City's website.

2.3.2 In determining whether the successful bidder or proponent fails to implement their workforce development plan as proposed, Purchasing and Materials Management Division, in consultation with Social Development, Finance and Administration and Employment & Social Services, will develop procedures to guide the determination of whether a successful bidder or proponent fails to implement the proposed workforce development plan, including but not limited to, the degree of compliance with the workforce development plan, the effort made by the successful bidder or proponent in working towards the workforce development plan and the role of subcontractors in the workforce development plan.
## Appendix C: Pilot Process Summary

<table>
<thead>
<tr>
<th>#</th>
<th>Pilot Project</th>
<th>Division</th>
<th>Description</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mechanical Litter Removal Services Contract</td>
<td>Solid Waste Management</td>
<td>The provision of litter vac collection along City of Toronto streets in the downtown core.</td>
<td>Three employment opportunities identified.</td>
</tr>
<tr>
<td>2</td>
<td>Franklin Horner Community Centre renovation</td>
<td>Parks, Forestry and Recreation</td>
<td>Construction project for the renovation of Franklin Horner Community Centre renovation.</td>
<td>No appropriate Workforce Development opportunities identified. Limited scope of work did not provide meaningful placements.</td>
</tr>
<tr>
<td>3</td>
<td>Basement Flooding Program Management</td>
<td>Engineering and Construction Services</td>
<td>Engineering consulting assignment for the planning, design and contract administration of the mitigation of basement flooding consisting of the construction of storm and sanitary pipes, and storage facilities both in-line and tanks.</td>
<td>Vendor committed to implementing workforce development and supplier diversity. Two meetings held with vendor to review proposal and scope out feasible opportunities. Plan currently in development.</td>
</tr>
<tr>
<td>4</td>
<td>New Q Pumping Station at the Ashbridges Bay Treatment Plant</td>
<td>Engineering and Construction Services</td>
<td>Engineering consulting assignment for the design and contract administration of the construction of a new pumping station.</td>
<td>Successful vendor proposed workforce development initiative. City staff has provided feedback and proposal is being revised by vendor.</td>
</tr>
<tr>
<td>5</td>
<td>Highland Creek Treatment Plant</td>
<td>Engineering and Construction Services</td>
<td>Design and construction of new liquid processing &quot;train&quot; and refurbishment of other areas of the treatment plant.</td>
<td>Request for Proposals released in Fall 2015, including social procurement components. Contract expected to be awarded early in 2016.</td>
</tr>
<tr>
<td>#</td>
<td>Pilot Project</td>
<td>Division</td>
<td>Description</td>
<td>Status</td>
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<tr>
<td>6</td>
<td>St. Lawrence Market North Redevelopment Project</td>
<td>Facilities Design and Construction</td>
<td>Demolition of existing North Market, including archaeological site remediation. Construction of new North Market.</td>
<td>Client division not able to embed social procurement.</td>
</tr>
<tr>
<td>7</td>
<td>George Street Revitalization / Seaton House Redevelopment</td>
<td>Shelter, Support and Housing Administration</td>
<td>Consulting assignment for the design phase of George Street Revitalization / Seaton House Redevelopment</td>
<td>Social procurement identified as being more appropriate for construction phase of project. Will develop social procurement components if construction phase is approved by Council at a later date.</td>
</tr>
<tr>
<td>8</td>
<td>Hostel-wide Indoor &amp; Outdoor Painting Contract</td>
<td>Shelter, Support and Housing Administration</td>
<td>Indoor / outdoor painting</td>
<td>Upon further analysis of the available work available, no appropriate workforce development opportunities identified.</td>
</tr>
<tr>
<td>9</td>
<td>Online Divisional Purchase Order Pilot</td>
<td>Social Development, Finance and Administration</td>
<td>Select Cluster A Divisional Purchase Orders between $10,000 and $50,000 in value posted online in an open RFQ process.</td>
<td>57 DPOs posted online and awarded. Contracts generally awarded to vendors who have already done business with the City. Pilot introduced undesirable inconsistency to DPO process.</td>
</tr>
<tr>
<td></td>
<td>Enhanced Divisional Purchase Order Pilot</td>
<td>Social Development, Finance and Administration</td>
<td>For select Cluster A Divisional Purchase Orders between $3,000 and $10,000 in value, buyers attempted to acquire at least one quotation from the CAMSC or WBE Canada certified diverse supplier list.</td>
<td>Supplier diversity pilot successfully embedded without compromising Cluster A DPO process. Certified supplier lists need to be expanded to be able to find suppliers who can deliver needed goods and services.</td>
</tr>
</tbody>
</table>
Appendix D:
Supplier Certification Organization Requirements

Canadian Aboriginal and Minority Supplier Council

Website: www.camsc.ca

About CAMSC

CAMSC operates as a private sector-led, non-profit membership organization governed by a board of Directors; comprised of major multinational corporations operating in Canada. The organization aims to boost economic development efforts and employment.

CAMSC is associated with the National Minority Supplier Development Council.

Certification Criteria

Business is eligible for certification if:

- The business is 51% or more owned by visible minority(s) or Aboriginal person(s)
- The business is 51% or more managed and controlled by visible minority(s) or Aboriginal person(s)
- The business is a for-profit enterprise
- The business operates in Canada
- The business owner(s) is a Canadian or US citizen
- The business may be of any size
- The business is able to operate as a supplier of products or services to other businesses.

Definitions (as defined by the Employment Equity Act (S.C. 1995, c.44):

Aboriginal peoples: means persons who are First Nations (Indians), Inuit or Métis.

Visible minorities: means persons other than Aboriginal peoples, who are non-Caucasian in race or non-white in colour. In practice, the Government of Canada includes the following groups: Blacks, Chinese, Filipinos, Japanese, Koreans, Latin Americans, Pacific Islanders, South Asians, and West Asians/Arabs.

Source: https://www.camsc.ca/what-is-certification
WBE Canada, Certified Women Business Enterprises

Website: [www.wbecanada.org/](http://www.wbecanada.org/)

About WBE Canada

WBE Canada is a non-profit organization, led by corporate members, that is opening doors to new supply chains. It certifies firms that are at least 51% owned, managed and controlled by women and introduces them to opportunities with corporations. The organization also partners with governments, women’s business centres and other women communities across Canada. Status of Women Canada is a major funder.

Certification Criteria

Company is eligible to apply for certification if:

- It is a legally established for-profit business that is headquartered and operates in Canada
- Women own a minimum 51%
- A woman manages and controls your business (has the top position)
- Operates an established - whether product or service-based - in any sector of the business-to-business market
- Is growth-oriented
- Has the capacity to sell to large corporations and/or the ability to scale your operations accordingly

Source: [http://www.wbecanada.org/eligibility-faqs](http://www.wbecanada.org/eligibility-faqs)
Canadian Gay and Lesbian Chamber of Commerce

Website: www.cglcc.ca/

About CGLCC

Established in 2003, the Canadian Gay & Lesbian Chamber of Commerce (CGLCC) is a national, non-profit industry association. The CGLCC is committed to forming a broad-based coalition, representative of the various interests of Lesbian, Gay, Bisexual, Trans-identified, Queer, Two-Spirited and Intersex (LGBT*) owned businesses, allied businesses, corporations, professionals, and students of business for the purpose of promoting economic growth and prosperity, through public and private sector advocacy and engagement, to advance the common business interests and opportunities of its members and stakeholders.

Certification Criteria

CGLCC has developed standardized procedures to assure consistency in review and certification LGBT owned and operated businesses. In order to be certified by the CGLCC as an LGBT Business Enterprise (LGBTBE), the applicant must satisfy the following criteria:

- The applicant must be a for-profit enterprise
- The applicant must operate in Canada
- The applicant must be a Canadian citizen
- The applicant's business may be of any size
- The applicant must be able to operate as a supplier of products or services to other businesses; and
- The applicant's business must be substantially owned and controlled by LGBT individuals

For the purpose of certification by the CGLCC:

Ownership would mean that the business is at least 51% owned and operated by self-identified and verified LGBT individuals. In the case of publicly owned businesses, at least 51% of the company's shares would have to be owned by one or more such individuals meeting the same criteria. Furthermore, the management and daily operations of these businesses must be controlled by LGBT individual/s.

Source: http://www.cglcc.ca/supplier-diversity.html
Social Purchasing Project

Website: http://www.socialpurchasingproject.org

About SPP

The Social Purchasing Project matches qualified social enterprises with government and corporations seeking to diversify their supply chains. We also facilitate capacity building amongst social enterprises in order to strengthen their social impact.

Certification Criteria

- 51% or more of the individuals who are full time equivalent employees and/or are participating in, or have completed, transitional employment training are from historically disadvantaged/equity seeking groups or have systemic barriers to employment.
- The primary purpose of the social enterprise is to create social, environmental or cultural value and impact.
- The social enterprise’s principal operations are based in Canada.
- The social enterprise operates as a supplier of products and/or services to other businesses.
- If the social enterprise is incorporated it must be in a manner to support, promote, and ensure stakeholder value over shareholder value.
- The sale of goods and services is a principal revenue source of the social enterprise.
- The social enterprise reinvests or distributes more than half of their profits towards their social purpose.
- The social enterprise is growth-oriented.
- The social enterprise operates in a transparent and responsible manner.

Source: Social Purchasing Project