
2018 OPERATING BUDGET BRIEFING NOTE

Social Procurement & Community Benefits Framework

Issue/Background:

- At the Budget Committee meeting held on December 18, 2017, the Executive Director, Social Development, Finance and Administration was requested to provide a Briefing Note on advancing the development of the Social Procurement Policy (an initiative of the Toronto Poverty Reduction Strategy) and the staff resources required to undertake this work.
- This briefing note also clarifies that the Community Benefits Framework under development for Council consideration in Q1 2019 will include provisions that address both community benefit agreements and social procurement.

Key Points:

Social Procurement Policy Development

- The Toronto Poverty Reduction Strategy recommends the development of a broader City of Toronto Community Benefits Framework, including the existing social procurement policy, to leverage the City's economic power to drive inclusive economic development through providing community benefits.

Link: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX9.5>

(Attachment A, Actions 13.1, 13.2 and 13.3)

- On April 22, 2015, with EX5.20, "Community Benefits Agreements", the Executive Committee requested staff to develop a community benefits agreements protocol, which is now referred to as the Community Benefits Framework. While social procurement leverages workforce development and supply chain diversity from City procurement, the interdivisional work to develop a broader Community Benefits Framework will allow the City to bring all of its tools, and potentially develop new tools, to turn public and private development into opportunities that make significant social and economic impact on Toronto communities.

Link: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX5.20>

- "Community benefits" is the umbrella term that refers to a range of processes, practices, and outcomes to achieve social, economic and environmental benefits for the local communities impacted by proposed development and infrastructure projects, and other public sector procurement activity.

- Over the past ten years, staff worked inter-divisionally with a range of community partners to advance a social procurement agenda. In more recent years, City staff pilot tested approaches and developed a viable Toronto social procurement policy and program.
- In 2016, with the adoption EX14.8 "Social Procurement Program" at its meeting on May 3, 2016, City Council directed that the City of Toronto Social Procurement Program be implemented. To achieve this objective, through the 2016 budget process, one new Purchasing Coordinator position was added to the Office of the Treasurer, which is fully cost shared between SDFA and the Purchasing & Materials Management Division (PMMD).

Link: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX14.8>

Social Procurement Progress

- In the first year of implementation (2017), the Social Procurement Program produced results in its two streams.
 - **Supply Chain Diversity:** In the first year, 42 small-scale contracts were awarded to diverse suppliers including businesses owned by Aboriginal people, racialized people, and/or women. The total value of these contracts was more than \$550,000.
 - **Workforce Development:** 17 capital procurement projects were selected to create job opportunities for equity-seeking groups. Eighty-five percent (85%) of large-scale projects included workforce development opportunities, which far exceeded the Program's 33% target.
- A key role of the Purchasing Coordinator is to provide intense case management to every project at every stage of the procurement process. This begins with preparing procurement call documents, then working with awarded vendors to develop a workforce development plan, coordinating the connection of job seekers to project-related employment opportunities, and finally, monitoring progress and tracking outcomes.
- The rapid uptake of the Program has created pressure and demand for policy support in the development of protocols, procedures, and resources required to implement the Social Procurement Program. The Social Procurement Program's intense demand for policy support has come at the expense of advancing the Community Benefits Framework at a faster pace. To date, both files have been managed by one policy staff based at SDFA.
- Throughout its development and implementation, the Social Procurement Program made use of the City's existing best practice models. Most notably with workforce development subject-matter expertise at Toronto Employment and Social Services (TESS) and SDFA, where employment programs that connect job seekers with employers are well established and accessible.

Social Procurement 2018 Deliverables:

- The following priorities will be delivered through the Social Procurement Program in 2018 within existing resources:
 - 32 large-scale City procurement projects have been selected through the initial screening process to include social procurement requirements into RFPs and Tenders in 2018. The Purchasing Coordinator will provide case management support to each project and work with awarded vendors.
 - Continued capacity building with Supplier Councils and diverse suppliers on how to access City procurement opportunities.
 - Development and documentation of protocols, procedures and resources for social procurement such as templates and evaluation tools.

Community Benefits Framework 2018 Deliverables:

- A City of Toronto Community Benefits Framework will be delivered for City Council consideration in Q1 2019. Acceleration of the work for Council consideration is not possible in 2018 due to a shortened Council cycle in the election year.
- The following priorities will be delivered through the Community Benefits Framework in 2018 within existing resources:
 - The development of a comprehensive inventory of existing City processes and practices that leverage community benefits outcomes; and
 - Analysis of options for how to maximize community benefits outcomes from large-scale private development proposals, through enhancing existing City practices and processes, or leveraging untapped opportunities.
- City staff will continue to address community benefits opportunities as they arise, concurrent to the development of a broader Community Benefits Framework, including:
 - Expanded Gaming at Woodbine – SDFA is currently working closely with the City Manager's Office in addressing community benefits conditions with the gaming service provider.
 - SDFA has met with the Toronto Community Benefits Network (TCBN) and will be working together with TCBN and other community and private sector stakeholders in developing the Community Benefits Framework.

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