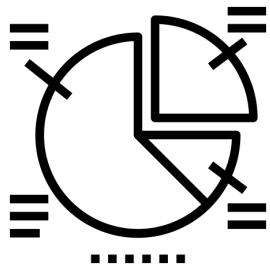


Social Procurement Program and Policy

**Confronting Anti-Black Racism Advisory Committee
September 4, 2024**

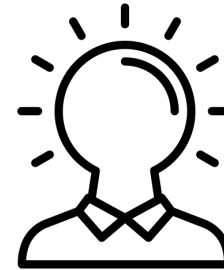
Agenda



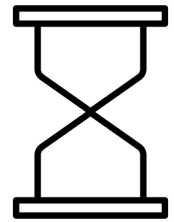
Overview of
Social
Procurement



Social
Procurement
in Practice



Policy and
Program
Review

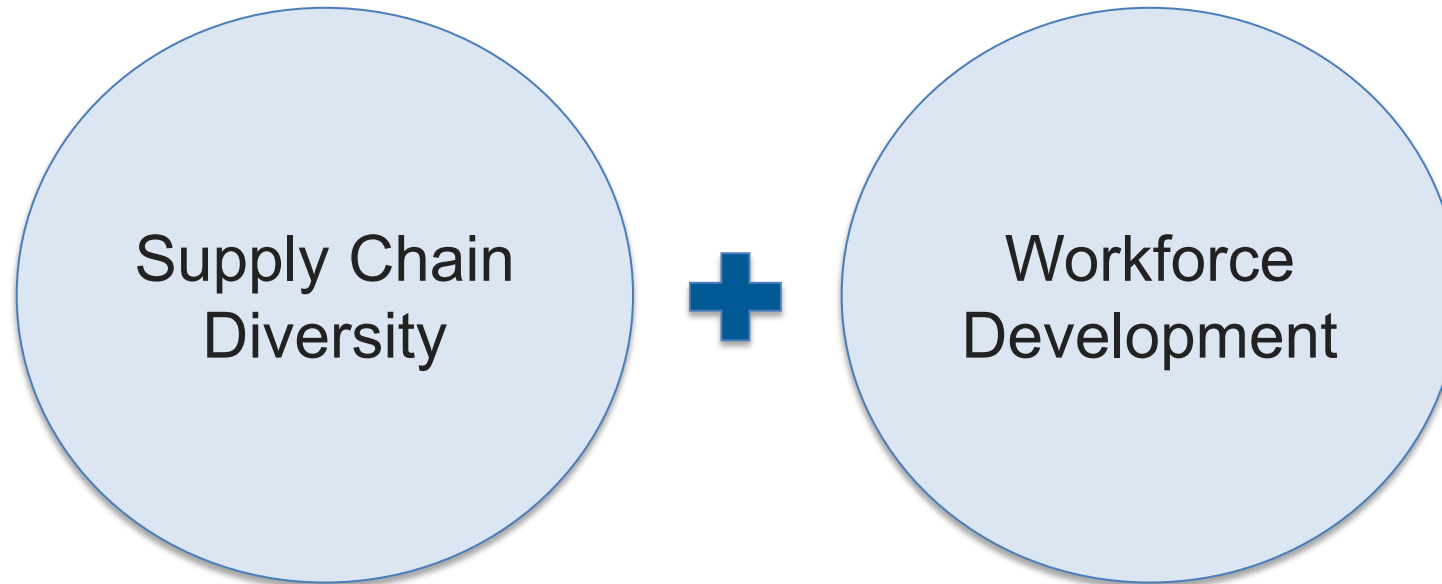


Next Steps

Overview of Social Procurement

What is Social Procurement?

Social procurement leverages the City's purchasing power to drive inclusive economic growth through two key components:



Evolution of Social Procurement

Social Procurement Framework established.

2013

2015

Poverty Reduction Strategy adopted, with social procurement as a key action.

Social Procurement Policy adopted.

2016

Confronting Anti-Black Racism Strategy adopted, including an action on social procurement.

2017

Evolution of Social Procurement, cont.

Community Benefits (CB) Framework adopted, incorporating social procurement as a CB initiative.

2019

2021

Council direction to conduct a **five-year review** of the Social Procurement Policy; incorporate a **10% equity target**.

Reconciliation Action Plan adopted, including an action on social procurement.

2022

Council direction to co-develop an **Indigenous Procurement Strategy**.

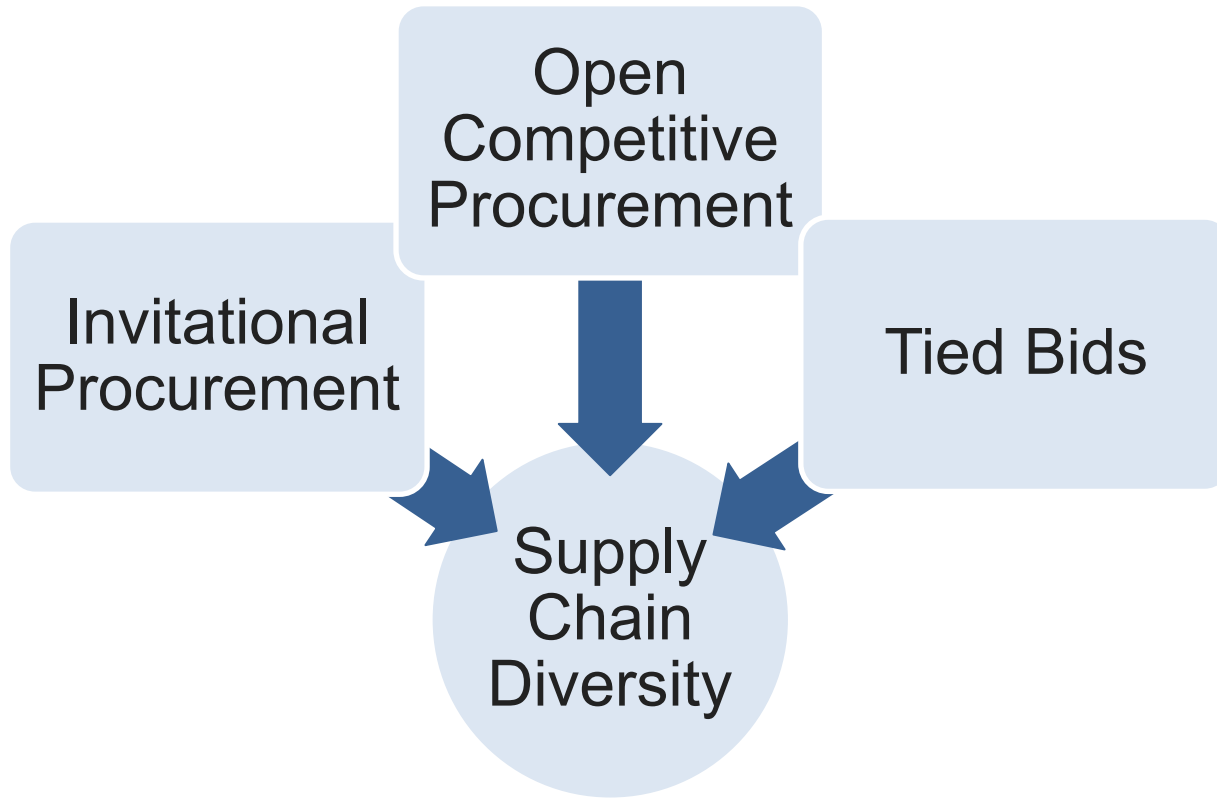
2023

Social Procurement and the Community Benefits Framework

- The **Community Benefits Framework (CBF)** guides various approaches to creating equitable social and economic opportunities through City initiatives.
 - The Community Benefits Unit in the Social Development, Finance and Administration Division oversees the Framework.
- The Purchasing and Materials Management Division manages the **Social Procurement Program**, one of multiple Community Benefits initiatives.

Social Procurement in Practice

Supply Chain Diversity



Supply chain diversity is achieved through three policy mechanisms:

- Invitational procurements: one Indigenous, Black or diverse supplier must be invited to bid, where feasible
- Open competitive procurements: points are awarded to certified Indigenous, Black and diverse suppliers
- Tied bids: award is to an Indigenous, Black or diverse supplier

Workforce Development

- Projects over \$5 million assessed for suitability, reach, volume and feasibility
- Mandatory intake for construction projects over \$50 million
- When a project is selected, targets are set in five activity areas

Non-Construction Employment

Registered Apprenticeships

Training and Work-Based Learning

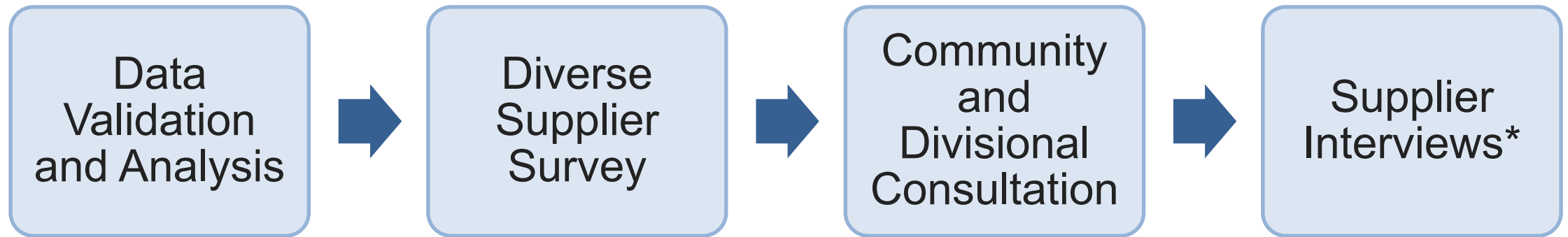
Subcontracting to Indigenous, Black and Diverse Suppliers

Other Employment-Related Activities

Policy and Program Review

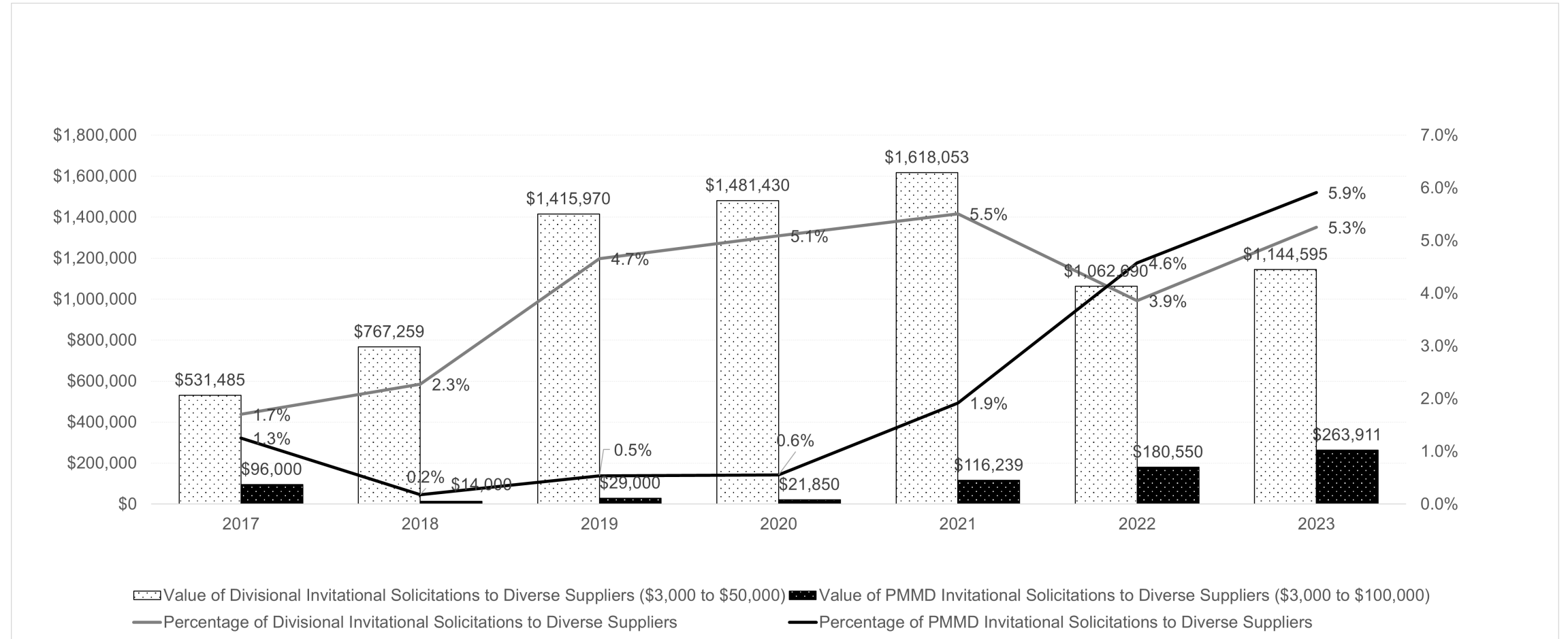
Policy and Program Review: Method

- In 2021, City Council directed the Chief Procurement Officer to conduct a five-year review of the Social Procurement Policy to identify successes and improvements needed in the Policy.
- PMMD conducted the review, covering 2017 to 2021, to determine where improvements are needed to maximize impact and achieve social value.



*non-diverse suppliers with workforce development contract terms

Supply Chain Diversity Achievements (2017-2023)



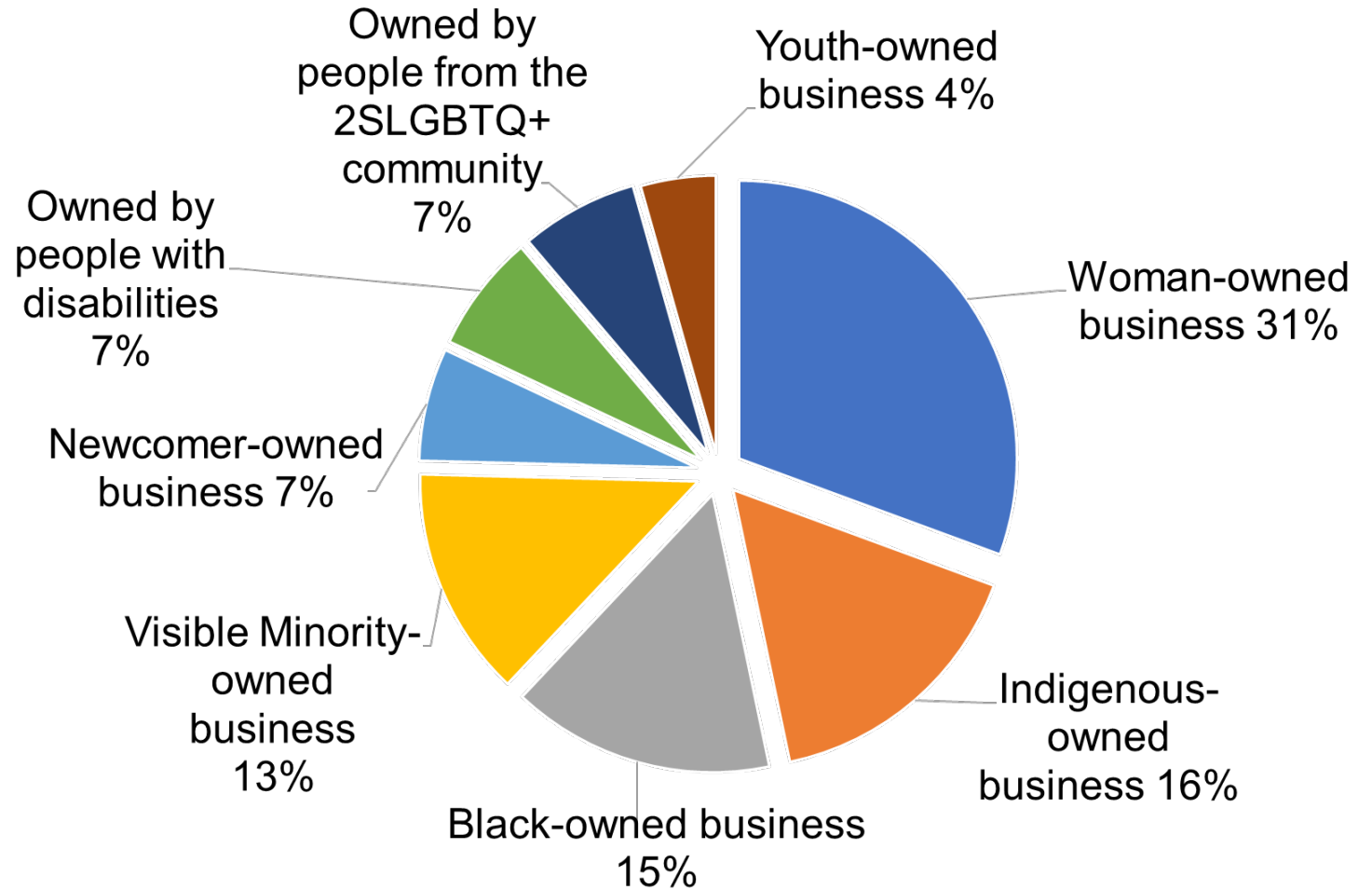
Workforce Development Achievements (2017-2023)



- 78 projects included workforce development
- Created 100 employment opportunities
- Provided 194 subcontracting opportunities with over \$10.4 million in spend with certified Indigenous, Black and diverse suppliers
- Facilitated suppliers to participate in 188 other employment-related activities

Social Procurement Business Survey

- In October 2022, PMMD released a Social Procurement Business survey to understand the barriers Indigenous, Black and diverse suppliers face when doing business with the City of Toronto.
- 368 businesses responded to the survey – 92% being small businesses.



Social Procurement Business Survey, cont.

What barriers exist in the City's procurement process?

- Procurement process is complex and difficult to understand
- Certain solicitation requirements are challenging for small businesses
- Requirement for diverse supplier certification excludes some Indigenous, Black and diverse suppliers

What supports should be developed to help suppliers navigate the procurement process?

- More training, including training in different formats (i.e., videos, workshops)
- Better communication, including dedicated staff for outreach and system navigation

Community, Divisional and Supplier Engagement

Lack of awareness and understanding of Social Procurement Policy

Invitational procurement process

Target setting for workforce development

Internal and external factors contribute to low achievements

Limited number of suppliers registered with the City

Labour shortages; training and education barriers

Increased collaboration can enhance achievements

More discussion with businesses and job seekers

Union pathways can be strengthened

Next Steps

Roadmap to Enhanced Social Procurement

Report to Council with results of review and Phase 1 recommendations.

Report to Council with results of engagement and Phase 2 recommendations.

2024

2025

2026

2027

Corporate and community engagement.
Implementation of Phase 1 updates.

Ongoing engagement.
Implementation of Phase 2 recommendations.

Proposed Phase 1 Recommendations: Engagement

- Broad business and community engagement is required to develop recommendations from the review findings.
 - An Advisory Committee with representation from community and business will be formed in 2025.
 - Community engagement sessions will also be planned with input from the Advisory Committee.

Proposed Phase 1 Recommendations: Policy and Program

- Policy enhancements for supply chain diversity will be recommended at Executive Committee on December 10, 2024, including:
 - Expand social procurement beyond supplier certification; and
 - Define Social Enterprises separately from Diverse Suppliers.
- Program enhancements for workforce development are also proceeding under the Chief Procurement Officer's authority, including:
 - Updating solicitation templates to clarify requirements, particularly around target-setting.

Expand Social Procurement Beyond Supplier Certification

Recommendation

- Redefine Diverse Supplier in the Social Procurement Policy to **include organizations, associations and Chambers of Commerce that represent Indigenous, Black and diverse suppliers**, beyond the current supplier certification organizations*.

Objective

- Increase the number of Indigenous, Black and diverse suppliers that are available to do business with the City; and
- Reduce costs and administration for Indigenous, Black and diverse suppliers by recognizing their current networks.

*Current supplier certification organizations are listed in Appendix 1.

Define Social Enterprises Separately from Diverse Suppliers

Recommendation

- Align the definition of Social Enterprise with Buy Social Canada's definition and **recognize Buy Social Canada certified social enterprises** in the Social Procurement Policy.

Objective

- Align with the current social enterprise landscape in Canada; and
- Increase the number of social enterprises that are available to do business with the City.

Definition: A social enterprise is a business that generates a significant portion of its revenue through the sale of goods or services, embeds a social, cultural or environmental purpose into the business, and reinvests 51% or more of profits into the social, cultural or environmental mission.

Contact
socialprocurement@toronto.ca

Appendix 1: Current Supplier Certification Organizations

The City is currently a member of 5 supplier certification organizations, which are non-profit organizations that certify diverse suppliers in Canada:

- Canada's 2SLGBTQI+ Chamber of Commerce (CGLCC)
- Canadian Aboriginal and Minority Supplier Council (CAMSC)
- Canadian Council for Indigenous Business (CCIB)
- Inclusive Workplace and Supply Council of Canada (IWSCC)
- Women Business Enterprises Canada Council (WBE Canada)