

Confronting Anti Black Racism Advisory Committee

RE: CR4.4 Overview of the Social Procurement Program and Policy

September 4, 2024

The TCBN, is a community-labour coalition with over 100-member organizations from community, labour and social enterprises. Ensuring commitments to social procurement and supply chain diversity through Community Benefits Agreements and Community Benefits Frameworks as part of public sector purchasing, procurement, infrastructure and large scale housing development is one of the five key areas of focus for the organization.

Since our inception, the TCBN has advocated for the City to develop a social procurement policy and welcomed the launch of this program in 2017. Since then, we have been monitoring its implementation to ensure Black, Indigenous and diverse people and businesses as well as social enterprises are well represented in the jobs and opportunities enabled through the City of Toronto's billions in procurement and purchasing each year.

While some progress has been made, we recognize the numerous barriers to participation that continue to exist for Black, Indigenous and diverse businesses and social enterprises, some of which have been highlighted in today's presentation. More emphasis needs to be placed on community involvement, tracking, reporting and compliance amongst companies the City chooses to do business with.

Community Involvement

Today's report outlines a recommendation to begin the launch of a community advisory in 2025 alongside a community engagement process which is a great step. However, there is still very little transparency and no community involvement in the implementation and monitoring of community benefits and social procurement commitments on some of the City's largest projects. The TCBN is advocating for a Working Group to be set up with the proponent, union labour trades, community and City as part of the recently commenced Etobicoke Civic Centre project, one of the larger City procurement projects.

Such processes have been established as part of the City of Toronto Casino Woodbine Community Benefits Agreement which includes a Community Benefits Working Group with local resident and organizations participation. As part of the agreement, the proponent is contractually required to present quarterly reports to the working group and public annual reports to Council. Working groups are also set up to develop collaborative strategies from community outreach to employment.

Similar community benefits oversight working groups have been established as part of other large TCHC projects including the Regent Park Phase 4&5 Community Benefits Agreement.

Increasing Black Business Participation in City procurement

In 2021, the City of Toronto Council committed to increasing Black business participation by 7.5%. An update has not been provided if the target has been achieved. The recommendation to redefine Diverse Supplier in the Social Procurement Policy to include organizations, associations and Chambers of Commerce that represent Indigenous, Black and diverse suppliers will help increase participation especially from small to medium sized businesses and social enterprises who face financial barriers due to the cost of obtaining diverse supplier certification. As the Confronting Anti-Black Racism unit develops its renewed 10-year action plan, we highlight the importance of coordination with the City of Toronto Social Procurement program and Community Benefits Unit to develop Black business focused strategies and initiatives to meet and surpass this 7.5% goal. Such activities can be undertaken alongside the action steps outlined in today's presentation.

Tracking and Reporting

Current social procurement outcomes (like today's presentation) are reported as an aggregate of Indigenous, Black and diverse suppliers and social enterprises. We recommend that all future tracking and reporting of outcomes related to Black business participation, purchasing and procurement spending should be tracked and reported individually. Effective tracking, monitoring and reporting is critical in ensuring the City can measure the impacts of its community benefits and social procurement programs and procedures in creating more workforce development and business opportunities within the black community.

Contractor Compliance and Enforcement

Project proponents and city contractors must be held accountable for its targets and commitments set out in City contracts. As part of the next phase of engagement, the City should identify measures to ensure contractor compliance and enforcement if contract requirements and targets are not met and ensure adequate resources and department staffing are available to follow up on contracts and monitor progress.

Including Alternative Business Models in Social Procurement

The TCBN supports the added definition of social enterprise under the Social Procurement program, however caution limiting such suppliers to those who are solely certified under one entity. With the decision to expand and redefine diverse suppliers beyond supplier certification organizations, the same should be made for social enterprises and social purpose organizations who may fit the social enterprise definition but choose to not seek formal certification. In addition, the City should explore how alternative business models like non-profit cooperatives are reflected in the social procurement policy, program development and advisory committee.

Align Social Procurement Policy with Procurement Policy

In order for the City to effectively implement its community benefits framework and social procurement initiatives, such changes need to be reflected in the City's procurement policy. For example, the current procurement policy includes clauses that limit the City's ability to require its contractors to subcontract or hire locally.



Sincerely,

A handwritten signature in blue ink, which appears to read "R Powell". The signature is fluid and cursive, with a large initial "R" and a long, sweeping tail.

Rosemarie Powell
Executive Director
Toronto Community Benefits Network