

## **Attachment 1 – Proposed Amendments to the Social Procurement Policy**

This attachment details proposed amendments to the Social Procurement Policy. Proposed deletions are indicated by a strikethrough. Proposed additions are indicated by underlining.

### **Social Procurement Policy**

Date of original: May 3, 2016

Last reviewed: ~~July 1, 2024~~ November 26, 2024

#### **1. Purpose and Policy Statement**

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

#### **2. General Principles**

- 2.1 Addresses economic disadvantage, discrimination, and barriers to equal opportunity, particularly among Indigenous, Black and Equity-deserving communities, that disproportionately experience unemployment and underemployment, discrimination, or barriers to equal opportunity;
- 2.2 Adheres to the highest standards of ethical conduct and maintains consistency with other City of Toronto policies and procedures;
- 2.3 Works to build a culture of social procurement;
- 2.4 Establishes an effective balance between accountability, transparency and efficiency;
- 2.5 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; and
- 2.6 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.

#### **3. Applicability and Exemptions**

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

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

## 4. Definitions

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

- 4.1 Apprentice: Apprentice means an individual who, pursuant to a registered training agreement, is receiving or is to receive training in a trade required as part of an apprenticeship program as defined by the *Building Opportunities in the Skilled Trades Act, 2021*.
- 4.2 Candidate or Persons: Someone from an Indigenous, Black or Equity-deserving Community ~~that has experienced or is experiencing economic disadvantage, discrimination, and/or barriers to equal opportunity.~~
- 4.3 Equity-deserving Communities: Communities that face significant collective challenges in participating in society because of institutional and societal barriers to equal access, opportunities and resources due to disadvantage and discrimination. Members of an Equity-deserving Community may include, but are not limited to: women, racialized communities, newcomers/recent immigrants, persons with a disability including mental health, 2SLGBTQ+ communities, Equity-Deserving Youth, veterans and persons with low income.
- 4.4 Identity-Based Business Organization: A membership-based non-profit or charitable organization recognized by the City with a mission to support Indigenous, Black and Diverse Suppliers.
- 4.5 Indigenous, Black or Diverse Supplier: An Indigenous, Black or Diverse Supplier is any business or enterprise that is a member of an Identity-Based Business Organization that is recognized by the City or is certified by a Supplier Certification Organization to be more than 51% (majority) owned, managed and controlled by persons belonging to an Indigenous, Black or Equity-deserving Community.; ~~or whose primary purpose is to create social, environmental or cultural value and impact, and where more than 51% of the persons who are full-time equivalent employees or are participating in, or have completed, transitional employment training, experience economic disadvantage.~~
- 4.6 Social purpose Enterprise: 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.
- 4.7 Supplier Certification Organization: A supplier certification organization is a non-profit organization recognized by the City of Toronto that certifies businesses and

enterprises as Indigenous, Black or Diverse Suppliers or Social Enterprises by assessing them using established, consistent criteria.

- 4.8 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:

4.8.1 Non-Construction Employment Opportunities Customized Recruitment:

~~Customized recruitment approaches for candidates for professional, administrative and technical opportunities 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.~~

- 4.8.2 Opportunities for Registered Apprenticeships for candidates during Construction: Identify opportunities to hire, directly and/or through subcontractors, registered apprentices from Indigenous, Black and Equity-deserving Communities through apprenticeship training programs that provide candidates with access to the skilled trades.

4.8.3 Training and Work-based Learning Skills Development:

- a. 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.).
- b. 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).

- 4.8.4 Use of Indigenous, Black and Diverse Suppliers and Social Enterprises in the Supply Chain: Identify opportunities to subcontract, where required, components of work or services to Indigenous, Black and Diverse Suppliers and Social Enterprises.

4.8.5 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:

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

## **5. Supply Chain Diversity**

### **5.1 Supplier Information**

5.1.1 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.

### **5.2 Increasing Access for Small and Medium Sized Businesses to Invitational Solicitations completed by Divisions (\$3,000-up to and including \$120,000)**

5.2.1 Purchasing and Materials Management Division will work with identity-based business organizations and supplier certification organizations to obtain a list of Indigenous, Black and diverse suppliers and social enterprises.

5.2.2 As part of the City's Divisional Purchase Order Process, City divisions shall review the list obtained under Section 5.2.1 and, where feasible, attempt to include at least one (1) quotation from a-an Indigenous supplier, one (1) quotation from a Black supplier and one (1) quotation from a diverse supplier or a social enterprise when undertaking the Divisional Purchase Order process.

5.2.3 The Chief Procurement 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~~ quotations as part of the Divisional Purchase Order process as necessary in order to achieve the goals of diversifying the supply chain.

5.2.4 ~~The procurement of construction services using the Divisional Purchase Order procedure is exempt from this section.~~

### **5.3 Increasing Access for Small and Medium Sized Businesses to Invitational Solicitations completed by PMMD (up to and including \$133,800)**

- 5.3.1 Purchasing and Materials Management shall review the list obtained under Section 5.2.1 and, where feasible, attempt to include at least one (1) submission from an Indigenous Supplier, at least one (1) submission from a Black supplier and at least one (1) submission from a diverse supplier or a social enterprise when undertaking an invitational solicitation on behalf of a Division.
- 5.3.2 ~~The procurement of construction services using the invitational solicitation process (up to and including \$133,800) is exempt from this section.~~
- 5.4 Encouraging suppliers to Develop Supply Chain Diversity Policies in purchases above \$133,800.
- 5.4.1 In Request for Tenders and Request for Quotations issued by Purchasing and Materials Management, language will be added to encourage suppliers to develop or adopt a supplier diversity policy that aims to include Indigenous, Black and diverse suppliers and social enterprises in their supply chain.
- 5.4.2 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.
- 5.4.3 The City will provide suppliers with guidance and information on how to respond to the supplier diversity requirements under Sections 5.4.1 and 5.4.2.
- 5.5 Tied Bids
- 5.5.1 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 an Indigenous, Black or diverse supplier or social enterprise. If all the suppliers within the tie are Indigenous, Black or diverse suppliers or social enterprises, then the normal tied bids procedure shall apply.

## **6. Workforce Development**

- 6.1 Identifying Procurements Suitable for Workforce Development
- 6.1.1 Workforce development provisions set out in Section 6 will apply to all solicitations with an anticipated value over \$5 million (including option years) subject to Sections 6.1.2.
- 6.1.2 Purchasing and Materials Management Division, in consultation with City Divisions will review the potential solicitations identified in Section 6.1.1 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.
- 6.1.3 Purchasing and Materials Management Division, ~~in consultation with Social Development, Finance and Administration 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 6.1.2.
- 6.1.4 All workforce development requirements identified in Section 6 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.
- 6.2 General Workforce Development Requirements for Identified Procurements
  - 6.2.1 For the procurements identified in Section 6.1, the City shall require the suppliers, as part of the procurement process, to provide to the City a commitment respecting workforce development in the event of a successful bid.
  - 6.2.2 The City shall not consider the bid of a supplier that is required to provide, as part of the procurement process, a commitment under Section 6.2.1 and fails to do so.
  - 6.2.3 For all competitive procurements identified in Section 6.1, the City will include the following:
    - a. The requirement to designate a liaison within the supplier’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;
    - c. The requirement that the successful supplier 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; and

- d. The requirement that the successful supplier makes the agreed upon plan for workforce development available to the public as directed by the Chief Procurement Officer.
- 6.2.4 Where the identified procurement is being procured using Request for Supplier Qualification or a Request for Proposal, the solicitation shall clearly identify to suppliers 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 6.1.2, 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.
- 6.2.5 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 6.1.2, that the supplier will have to meet.
- 6.3 Disqualification
  - 6.3.1 If the successful supplier 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 Procurement Officer may recommend to the appropriate Standing Committee that the said supplier be disqualified from conducting business with the City for a period of two years, inclusive.
  - 6.3.2 The disqualification period will start from the day of the decision of Council.
  - 6.3.3 After the disqualifying period is over, the said supplier will be placed on probation for the next year. If another failure to implement the agreed upon workforce development plan occurs, the Chief Procurement Officer may recommend to the appropriate Standing Committee that the supplier be disqualified from conducting business with the City for an indefinite period of time.
  - 6.3.4 Disqualified firms will be published on the City's website.
  - 6.3.5 In determining whether the successful supplier fails to implement their workforce development plan as proposed, Purchasing and Materials Management Division, ~~in consultation with Social Development, Finance and Administration,~~ will develop procedures to guide the determination of whether a successful supplier 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 supplier in working towards the workforce development plan and the role of subcontractors in the workforce development plan.

## **7. Contact**

Should you have any questions, please contact the Purchasing and Materials Management Division at [socialprocurement@toronto.ca](mailto:socialprocurement@toronto.ca).