

Attachment 1 – Proposed Social Procurement Policy

This attachment details proposed amendments to the Procurement Processes 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

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.

2. General Principles

- 2.1 Addresses economic disadvantage, discrimination, and barriers to equal opportunity, particularly among Indigenous, Black and ~~equity-seeking~~ 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 ~~Chapter 195 of the Municipal Code~~ Chapter 195, Procurement, or the City's Procurement ~~Processes~~ Policy, Chapter 195 governs first and the Procurement ~~Processes~~ Policy governs second.

4. Definitions

In addition to the definitions in the ~~Purchasing~~ Procurement By-law and the Procurement ~~Processes~~ 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 Ontario College of Trades and Apprenticeship Act, 2009. 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.~~
- 4.2 ~~Candidate or Persons: Someone that has experienced or is experiencing economic disadvantage, discrimination, and/or barriers to equal opportunity.~~
- 4.3 ~~Equity-seeking Community~~ 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. 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.
- 4.4 ~~Diverse Supplier: A diverse supplier is any business or enterprise that is certified by a supplier certification organization~~ Supplier Certification Organization to be:

- 4.4.1 More than ~~50%~~ 51% (majority) owned, managed and controlled by persons belonging to an ~~equity-seeking community~~ Indigenous, Black or Equity-deserving Community; or
- 4.4.2 A social purpose enterprise whose primary purpose is to create social, environmental or cultural value and impact, and where more than ~~50%~~ 51% of the persons who are full-time equivalent employees or are participating in, or have completed, transitional employment training, experience economic disadvantage.
- 4.5 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.
- 4.6 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:
- 4.6.1 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.
- 4.6.2 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).

4.6.3 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.

4.6.4 Use of ~~Social Enterprises~~ Diverse Suppliers in the Supply Chain: Identify opportunities to subcontract, where required, components of work or services to ~~Social Enterprises~~ Diverse Suppliers ~~that employ business methods and practices to create employment or training opportunities for workforce development candidates.~~

4.6.5 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. Policy 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 ~~Divisional Purchase Orders~~ ~~(\$3,000 up to and including \$50,000~~ \$120,000)

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

5.2.2 As part of the City's Divisional Purchase Order Process, City divisions shall review the list obtained under Section ~~4.2.4~~ 5.2.1 and, where feasible, attempt to include at least one (1) quotation from a diverse supplier when undertaking the Divisional Purchase Order process.

- 5.2.3 The Chief ~~Purchasing~~ 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 as part of the Divisional Purchase Order process as necessary in order to achieve the goals of diversifying the supply chain.
- 5.2.4 ~~Divisions procuring~~ The procurement of construction services using the Divisional Purchase Order procedure ~~is are~~ exempted from this section.
- 5.3 Increasing Access for Small and Medium Sized Businesses to Invitational Solicitations completed by PMMD (\$50,000 up to and including \$100,000 \$133,800)
- 5.3.1 Purchasing and Materials Management shall review the list obtained under Section ~~4.2.1~~ 5.2.1 and, where feasible, attempt to include at least one (1) submission from a diverse supplier when undertaking an invitational solicitation on behalf of a Division.
- 5.3.2 The procurement of construction services using the invitational solicitation process (between \$50,000 and up to and including \$100,000 \$133,800) ~~are is~~ exempted from this section.
- 5.4 Encouraging suppliers ~~Vendors~~ to Develop Supply Chain Diversity Policies in purchases \$100,000 and 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 ~~bidders~~ suppliers to develop or adopt a supplier diversity policy that aims to include diverse suppliers 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 ~~4.3.1 and 4.3.2~~ 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 a diverse supplier. If all the ~~bidders~~ suppliers within the tie are diverse suppliers, 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 ~~2.1.2~~ 6 will apply to all ~~call documents~~ solicitations with an anticipated value over \$5 million (including option years) subject to Sections ~~2.1.2~~ 6.1.2.

6.1.2 Purchasing and Materials Management Division, in consultation with City Divisions will review the potential ~~call documents~~ solicitations identified in Section ~~2.1.4~~ 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 ~~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~~ 6.1.2.

6.1.4 All workforce development requirements identified in Section ~~2.1.2~~ 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 ~~2.1~~ 6.1, the City shall require the ~~bidders or proponents~~ suppliers, 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~~.

- 6.2.2 The City shall not consider the bid of a ~~bidder or the proposal of a proponent~~ supplier that is required to provide, as part of the procurement process, a commitment under Section ~~2.2.4~~ 6.2.1 and fails to do so.
- 6.2.3 For all competitive procurements identified in Section ~~2.4~~ 6.1, the City will include the following:
- a. The requirement to designate a liaison within the ~~bidder or proponent's~~ 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; ~~and,~~
 - c. The requirement that the successful ~~bidder or proponent~~ 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 ~~bidder or proponent~~ supplier makes the agreed upon plan for workforce development available to the public as directed by the Chief ~~Purchasing Official~~ Procurement Officer.
- 6.2.4 Where the identified procurement is being procured using a ~~Pre-qualification~~ Request for Supplier Qualification or a Request for Proposal, the ~~Pre-qualification or Request for Proposal solicitation~~ shall clearly identify to ~~proponents~~ 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 ~~2.4.2~~ 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 ~~2.1.2~~ 6.1.2, that the ~~bidder~~ supplier will have to meet.

6.3 Disqualification

- 6.3.1 If the successful ~~bidder or proponent~~ 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 ~~Purchasing Official~~ Procurement Officer may recommend to the ~~Government Management Committee~~ appropriate Standing Committee that the said ~~bidder or proponent~~ 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 ~~bidder or proponent~~ supplier 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~~ Procurement Officer may recommend to the ~~Government Management~~ appropriate Standing Committee that the ~~bidder or proponent~~ 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 ~~bidder or proponent~~ supplier 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~~ 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 ~~bidder or proponent~~ 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.