

# Social Pillar

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## Introduction

### What is the Social Pillar

Social procurement can enable the achievement of a variety of goals – ranging from increased diversity and inclusion, to enabling community capacity building, to bettering people’s health and social wellbeing – by creating economic opportunities for equity-deserving and other target populations. Accomplishing these goals can involve purchasing from local suppliers, suppliers that offer social value, such as non-profits, social enterprises, and Diverse Suppliers, and mandating other suppliers to deliver on social value through their own corporate practices and services they offer, including hiring practices, fair and living wages, and Community Benefit Agreements.

### Social Risks / Opportunities

#### **1. Justice, Equity, Diversity, and Inclusion (JEDI)**

Create opportunities for inclusive, socially just workplaces and equal economic advancement for equity deserving groups and other target populations.

#### **2. Local Economic Development**

Foster local economic development, build stronger relationships, and create benefits for local people and communities, within allowances of trade agreements and procurement thresholds.

#### **3. Workforce Development**

Reduce poverty and foster inclusivity by offering skills training, work, and employment related opportunities for individuals with barriers to employment (i.e., equity-deserving groups).

## Legislative Context

### Trade Agreements

Most trade agreements include exemptions for procuring directly with non-profit organizations. Specifically, the procurement obligations of the CFTA (Ch. 5) do not apply to the procurement of goods or services from philanthropic institutions, non-profit organizations, or persons with disabilities; particularly in the areas of social and health services. Many social enterprises are also non-profits, so there are opportunities to direct award to these types of organizations, even above thresholds.

### BOBI

The Building Ontario Businesses Initiative (BOBI) came into effective as of January 1<sup>st</sup>, 2024. It is a province wide program, governed by the Building Ontario Businesses Initiative Act (BOBIA), which aims to leverage the role public sector procurement can play in the economic development of Ontario businesses. This [Supply Ontario Guide](#) provides more detailed information.

For **above** trade agreement thresholds<sup>1</sup>, organizations should:

- Where available, apply exceptions, and non-application provisions in trade agreements that can be used to give Ontario businesses preferences in procurement opportunities.
- Direct procurement opportunities to Ontario trade partners.
- Apply weighted domestic criteria to increase the possibility of contracts being awarded to Ontario businesses.
- For procurements with an estimated value of \$50 million or more in specific sectors, include an Industrial, Regional and Technology Benefit (IRTB) by requiring a local Economic Benefits Submission (EBS).

For **below** trade agreement thresholds, organizations should:

- Where feasible, purchase from Ontario businesses (below **domestic** trade agreement thresholds<sup>2</sup>) and from Canadian businesses (below **international** trade agreement thresholds).

## Implementation Best Practices

### Local Procurement

Supporting the economic development of our communities, especially as anchor institutions, is likely a corporate value of most organizations. Even though trade agreements do not allow for giving preference to local businesses, there are still several ways we can leverage procurement to strive for benefits to our local communities. Under trade agreement thresholds, BOBI dictates that public sector organizations must procure from an Ontario or Canadian business, where feasible.

When a procurement is above trade agreement thresholds (\$121,200) you **cannot** ask a business if they are local and award points for them being local. You **can** do the following:

- Ask bidders to describe how they would support local economic development specifically related to the provision of the contract with the organization.
  - This could be a requirement to achieve and report on targets, such as 10% local hiring and/or 10% local purchasing; bidders may need to describe their plan for how they would meet those targets as part of the project.
- Ask bidders to describe how they currently support local economic development (i.e. hiring, procurement, partnerships, etc.). Points can be allocated for any work being done in your local community or what would be deemed the supplier's local community.
- Ask bidders to describe their knowledge of the local area and/or impacted stakeholders where the project is taking place.
- Ask bidders to be able to meet certain requirements on speed of delivery and ability to be on site for certain aspects of the project.

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<sup>1</sup> \$366,800 for goods/services and \$9,100,000 for construction

<sup>2</sup> \$121,200 for goods/services and \$302,900 for construction

## Supporting JEDI & Supplier Diversity

From a broader perspective, fostering JEDI outcomes can be done two ways, including:

- Procuring directly from social value suppliers, including Diverse Suppliers, social enterprises, non-profits, B-corporations, Community Contribution Companies (C3s) and local and small- and medium-sized enterprises (SMEs).
- Procuring from non-social value suppliers that are implementing practices that support JEDI within their own company and practices via their own social procurement, HR practices, community programming, philanthropy, etc.

The aim is to allocate points to suppliers that support socio-economic outcomes for local communities, equity-deserving groups, and other target populations that are traditionally underrepresented or face barriers to accessing opportunities.

### **Increase Impact Through Collaboration!**

Identify and collaborate with other staff at the College who may be working on these objectives, like the DEI team, to align with current corporate goals and break down silos.

Within this, supplier diversity is a specific concept that refers to procuring from Diverse Suppliers, which are businesses that are 51% owned, managed, and/or controlled by persons belonging to an equity-deserving group. Many will be Certified Diverse, through a Diversity Council (such as CAMSC, CCIB, CGLCC, WBE, etc.); however, because certification can be a barrier, you should also accept other forms of proof of meeting the definition of a Diverse Supplier.

## Finding & Engaging Social Value Suppliers

To enable more contracting with social value suppliers, you will need to identify and engage with them, so they are aware of and knowledgeable on how to participate in procurement opportunities; via:

- Utilizing Diversity Councils and other directories (ex. local Black Business Directories, Chambers of Commerce, York University Directory, etc.).
- Attending and/or hosting trade shows and supplier networking events.
- Holding “doing business with” webinars for suppliers to attend.
- Engaging with local business associations and organizations who work with diverse populations.

## Measurement

Many public sector organizations are now tracking and reporting on supplier diversity and social value. To enable this, ensure that you have a method for Diverse Suppliers to identify themselves during the new-supplier registration process and/or during the bidding process. Example KPIs include:

- **Percentage of Spend/Contracts:** % of total spend or contracts awarded to diverse and/or social value suppliers, or suppliers with programming for equity-deserving individuals.
- **Supplier Demographics:** % of your total supplier base that is diverse and/or social value suppliers.
- **Participation vs. Success:** % of diverse and/or social value suppliers that participated in bidding versus those that won contracts.
- **Employment:** Track the number of contracts awarded to suppliers providing employment and the number or percentage of jobs created for equity-deserving individuals (specific to projects).

## Glossary

**Community Benefit Agreements:** is a legal agreement or a contractual requirement on construction, infrastructure, and development projects for specific social value outcomes like hiring, training, or procurement that ensures projects enhance social, cultural, environmental, and economic opportunities for and with community.

**Diversity:** All the differences between us based on experiences, advantages, and barriers. Diversity isn't just about racial differences, it is the inclusion of different types of people (such as different races, cultures, genders, ages, and abilities) in a group or organization. It promotes varied perspectives and experiences.

**Diverse Supplier:** Businesses that are 51% owned, managed, and/or controlled by persons belonging to an equity-deserving group.

**Equity:** Fairness and justice in the way people are treated. It involves ensuring that everyone has access to the same opportunities and resources.; recognizing differences and that advantages and barriers exist.

**Equity-deserving Groups:** Racialized peoples, newcomers (less than 5 years in Canada); Persons with Disabilities; Women; youth; people facing poverty; Veterans, and 2SLGBTQIA+ (Two-spirit, Lesbian, Gay, Bisexual, Transgender, Queer, Questioning, Intersex, Asexual, plus) Peoples. Sometimes, Indigenous (First Nations, Inuit, and Metis) peoples are also considered as an equity-deserving group, however, please see the Indigenous Pillar Guidance document for additional information on Indigenous procurement.

**Fair Wages:** Wages that are considered fair for the type of work performed, taking into account the cost of living, legal requirements, and industry standards. It aims to ensure that workers receive adequate compensation for their labor.

**Justice:** Dismantling barriers to resources and opportunities in society so that all individuals and communities can live a full and dignified life.

**Inclusion:** Creating environments in which any individual or group can be and feel welcomed, respected, supported, and valued. It involves active efforts to include everyone and provide equal access to opportunities and resources. Fostering a sense of belonging by centering, valuing, and amplifying the voices, perspectives and styles of those who experience more barriers based on their identities.

**Rainbow Washing:** The practice of companies or organizations promoting support for LGBTQ+ rights and inclusion, often for marketing or public relations purposes, without demonstrating meaningful actions or commitments to support LGBTQ+ communities. It involves using rainbow symbols or LGBTQ+ themes superficially, without addressing systemic issues or contributing to genuine progress in LGBTQ+ equality.

**Social Justice:** The pursuit of a society in which the distribution of resources is equitable, and all members are physically and psychologically safe and secure. It involves addressing issues of inequality, discrimination, and marginalization.

**Social Return on Investment (SROI):** A framework for measuring and accounting for the value created by social, environmental, and economic outcomes. It helps organizations understand and manage the social impact of their activities.

**Social Value Supplier:** Social value suppliers include Diverse Suppliers, social enterprises, non-profits, and other suppliers with prominent certifications, such as B-corp, as well as local and small- and medium-sized enterprises (SMEs). These suppliers support socio-economic outcomes for local communities, equity-deserving groups, and other target populations that are traditionally underrepresented or face barriers to opportunities.