

# CORPORATE POLICY



Policy Title: **Social Procurement Policy**  
Policy Category: **Administration Policy**  
Policy No.: A-037  
Department: Corporate Services  
Approval Date: May 9, 2022  
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Attachments: None  
Related Documents/Legislation: Purchasing By-Law  
Key Word(s): Social Procurement; Equity-deserving groups; Diverse Supplier

## POLICY STATEMENT:

The City of Waterloo recognizes that by leveraging City spending it can create social value through the procurement process. It will also generate positive social and economic outcomes in addition to the delivery of efficient goods and services.

## PURPOSE:

This policy confirms the City's commitment to embed economic growth, as well as supply chain and workforce diversity to enhance community health and well-being through the procurement process.

## DEFINITIONS:

**Community Benefit Agreements (CBAs)** are agreements that incorporate pre-determined and defined social value outcomes that will be delivered as part of a project;

**Diverse Supplier** is any business or enterprise that is certified by a Supplier Certification Organization to be:

- Owned or managed by 51% or more members from equity deserving groups
- A Social Enterprise with 51% or more of trained full time permanent employees from equity deserving groups

**Mandatory Policy, *Municipal Act*: NO**

**Policy Administration Team, Review Date April 13, 2022** \_\_\_\_\_

**Corporate Management Team, Review Date March 30, 2022** \_\_\_\_\_

**Equity-deserving groups** are people that experience inequitable outcomes and face disproportionate amounts of discrimination. These include populations protected under the Ontario Human Rights Code - women, Indigenous People, Persons with disabilities, newcomers/new immigrants, LGBTQ+ people, Racialized people

**Local Supplier(s)** is a supplier of goods and/or services that maintains a workforce whose usual place of residency (i.e. where they normally live, sleep and eat) is located in the Regional Municipality of Waterloo (“Waterloo Region”).

**Social Enterprise(s)** are businesses that sell goods and services; they embed a *social, cultural or environmental* purpose into the business, and they reinvest the majority of profits into their social mission.

**Social Procurement** is the process wherein City spending is used to achieve positive social outcomes in keeping with community values and strategic objectives.

**Supplier Certification Organization** is an organization recognized by the City of Waterloo that certifies businesses and enterprises as diverse suppliers by assessing them using established, consistent criteria.

#### **SCOPE:**

This policy applies to all City of Waterloo employees.

#### **POLICY COMMUNICATION:**

The policy will be posted on the City’s website. Employees will be advised of the new policy through distribution to the Operational Leadership Team and Corporate Management Team and communication using the City’s intranet. Equity-deserving groups will be advised of the new policy through outreach activities.

#### **POLICY:**

The procurement process will meet all the principles of fairness, equity, integrity, accountability and transparency but will also enhance equity and social outcomes of broad benefit to the community.

The themes below will guide the implementation of the City’s Social Procurement Policy, wherever possible ensuring that the social value considerations are consistent with the City’s obligations under applicable trade agreements and the City’s purchasing by-law and provided they are justified on value for money grounds.

### Regional Economic Development

- When permissible under the City's Purchasing By-Law undertake low cost purchases directly from a Local Supplier;
- When possible for invitational limited procurements, as defined in the City's Purchasing By-Law invite at least one (1) Local Supplier to participate in the process;
- Work with Local Suppliers to ensure they are encouraged to respond to procurement opportunities.

### Supplier Market Development and Diversification

- Facilitate engagement opportunities between the City and suppliers by convening information sessions with Equity-deserving groups, Diverse Suppliers and Social Enterprises;
- Work with Supplier Certification Organizations to access lists of Diverse Suppliers and Social Enterprises;
- Where feasible and available, attempt to invite at least one Diverse Supplier or Social Enterprise to participate in invitational limited procurement opportunities;
- Simplify the procurement process for low cost purchases to make it easier for the Equity-deserving groups, Diverse Suppliers and small and medium sized businesses with fewer resources and staff to bid and compete.

### Promote a Supplier Community that Exhibits Leadership in Social Responsibility

- Develop a Supplier Code of Conduct to ensure that suppliers and potential suppliers to the City respect fundamental human rights and treat their workers fairly and with respect.
- Develop a Social Benefit Procurement Questionnaire to be incorporated into publically posted procurements;
- When possible assign an evaluation weighting percentage to social benefit contribution evaluation criteria to reward suppliers who contribute to the social wellbeing of Waterloo Region;
- Identify opportunities to utilize Community Benefit Agreements for major capital infrastructure or land development projects.

### Measure Social Impact

- Establish appropriate systems to track and report social procurement metrics and inform future targets.

**RESPONSIBILITIES:**

Procurement staff will ensure that procurement manuals and other internal procurement procedures and templates reference this policy and will actively promote and encourage the incorporation of social procurement opportunities into the procurement process.

Procurement staff will establish and track social procurement metrics.

The Indigenous Initiatives, Anti-Racism, Accessibility & Equity Division will support the implementation of this Policy, including but not limited to community engagement activities.

Divisions are required, in advance of carrying out any procurement, to consider how the purchase might be better leveraged to enhance the economic or social wellbeing of Waterloo Region.

**COMPLIANCE:**

In cases of policy violation, the City may investigate and determine appropriate corrective action.