

For Information

REPORT TITLE: Social Procurement Through Supply Chain Diversity

FROM: Gary Kent, Chief Financial Officer and Commissioner of Corporate Services

OBJECTIVE

To provide the Diversity, Equity and Anti-Racism Committee with information on options available for Social Procurement that will advance diversity, equity and inclusion efforts of the Regional Municipality of Peel and contribute to realizing goals set out in the BlackNorth Initiative pledge.

REPORT HIGHLIGHTS

- Peel Region staff are evaluating policies and program options in support of Regional Council's direction to address anti-black racism and systemic discrimination (Resolution 2020-448) and support the BlackNorth Initiative Pledge to create opportunities for all underrepresented and equity-seeking groups.
 - Options explored but not limited to, include support through a supply chain diversity program within Procurement that would encompass a wider range of equity-seeking groups including the Black community.
 - Peel Region staff conducted an initial environmental scan of existing and planned supply chain diversity initiatives within the City of Mississauga, the City of Brampton and the City of Toronto. These programs can be grouped into two categories based on their structure: City of Brampton and City of Toronto rely on a common set of third-party organizations to certify diverse suppliers, whereas City of Mississauga conduct their own independent verification of diverse suppliers.
 - Staff consider aligning any future program with an existing regional program as the most advantageous option for Peel Region and for the local vendor community.
 - This report is for information and staff will report out in 2022 as the initiative concludes on approach and implementation plan.
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DISCUSSION

1. Background

On June 11, 2020, Regional Council passed resolution 2020-448 to recognize anti-black racism as a crisis within the Region of Peel. Regional Council committed to address anti-black racism and systemic discrimination in Peel.

This commitment was furthered when Regional Council approved resolution number 2021-504 pledging support for the BlackNorth Initiative and having the Regional Chair sign the pledge, on behalf of Regional Council on May 27, 2021.

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In support of these resolutions Peel Region staff are evaluating supplier diversity program options that seek to create opportunities for all underrepresented and equity-seeking groups within procurement.

2. Findings

Diversity, equity and inclusion benefits result from an investment in organizational transformation and a commitment to intentional reform of existing discriminatory systems. Regional Council has affirmed this commitment resolving that Regional policies, procedures and practices be reviewed through an integrated Anti-Racism lens.

Starting in mid-2021 Peel Region staff from Procurement and the Office of Culture and Inclusion convened to discuss possible ways Peel Region can address anti-black racism and systemic discrimination. These discussions focused on enabling tools within Procurement that align with the Strategic Framework of Culture and Inclusion. Pursuing a supply chain diversity program was identified as a tool that can open up opportunities for all equity-seeking groups.

Supply chain diversity programs are strategies that support the creation of a diverse supplier base and supply chain through procurement of goods and services from verified diverse suppliers. Programs create equitable access to specific procurement opportunities for diverse suppliers to submit bids, without separate rules or compromising on quality, cost, or service requirements expected of all vendors.

Peel Region staff conducted an initial environmental scan of existing and planned supplier diversity initiatives within local and surrounding regional municipalities. The scan was conducted using online information and discussions with subject matter experts familiar with the programs.

Within this space, City of Toronto's Social Procurement Program has a successful track record since launching in 2016, issuing a total of \$4.5M worth of City contracts to diverse suppliers from 2017-2019. The program forms the foundational basis for similar initiatives adopted by other organizations, including the City of Brampton's own program. The programs rely on third-party certification bodies to verify diverse suppliers who are then invited to submit bid for invitational procurement opportunities. Both programs require certification of diverse suppliers through established non-profit organizations that include:

- Canadian Aboriginal and Minority Supplier Council
- WBE Canada, Certified Women Business Enterprises
- Canadian Gay and Lesbian Chamber of Commerce
- Canadian Council for Aboriginal Business
- Inclusive Workplace Supply Council of Canada
- Buy Social Canada (for City of Brampton program only)

To be certified requires vendors to have a paid supplier membership within these organizations. In addition, the City of Toronto and City of Brampton have paid corporate memberships as well.

Conversely, City of Mississauga has opted for a different approach which aims to forgo the use of third-party certification requirements and would reach beyond invitational tenders. City of Mississauga staff are actively engaging with equity-seeking communities to

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determine the structure of their future program. One significant difference is that there are no paid memberships for vendors to participate within the program.

Although a standalone Peel Region program is possible, it would miss out on benefits from aligning to other existing municipal programs. Similarities among local and regional municipalities within supply chain diversity programs benefits from existing awareness and reduces inter-jurisdictional confusion and barriers for the local vendor community.

Region of Peel Diversity, Equity and Inclusion Strategic Framework

As an employer, the Region of Peel utilizes inclusive practices that respect and values diversity, equity and inclusion. Introducing a Supplier Diversity program supports both the community and workforce outcomes of the Region's Diversity, Equity and Inclusion Framework. These outcomes are:

Community Outcomes

- Peel residents have access to Regional programs and services that meet their unique needs in order to succeed and achieve their full potential
- Influence the identification and removal of barriers within community systems/structures through cross collaboration and advocacy
- The Region of Peel has a leadership role in influencing socio-demographic data standards, quality, and linkage, and utilizes community data to drive positive outcomes for the community

Workforce Outcomes

- The Region has a diverse and inclusive workforce where everyone is supported and respected, and where workforce-related decisions are enabled by data
- As an employer, the Region of Peel utilizes inclusive practices that respects and values diversity, equity and inclusion
- All employees can practice inclusion as a core competency and experience a feeling of belonging in the workplace

Implementing a supplier diversity program will help remove systemic barriers within the procurement process and bring visibility and accessibility to all equity-seeking groups for participation. A diverse supply chain carries numerous benefits and is an active demonstration of the Region's commitment to advancing diversity, equity and inclusion.

3. Benefits and Possible Adverse Consequences

Recognizing the economic damages brought on by COVID-19 have disproportionately affected equity-seeking groups across the region, opportunity exists for an economic recovery to be guided by the values of social justice.

The options presented in this report align with the current messaging of "building back better" outlined in the Fall Economic Statement 2020, in which the Federal government committed to an economic recovery grounded in principles of equality, anti-discrimination, participation and inclusion. Knowing that an inclusive economy is a more resilient economy Peel Region can seize on the current momentum of "building back better" to re-build existing systems so they support equity-seeking groups.

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Potential adverse consequences may include the perception by members of the non-Black community that Peel Region is demonstrating favoritism to a single equity-seeking group over other equity-seeking groups. It is important to note that the BlackNorth Initiative Pledge seeks to “increase equity for all including, but not limited to, Black, Asian and other racialized communities in Canada, Indigenous peoples, members of the LGBTQ+ community, persons with disabilities, and women”. The supply chain diversity program would encompass the same list of equity-seeking groups identified in the pledge, if not more, to provide inclusive opportunities to a wide group of diverse vendors and ensure that benefits would extend beyond the Black community.

4. Options Available

Based on analysis by staff a future program that is aligned with existing efforts within local and regional municipalities would be the most advantageous option for Peel Region and for the local vendor community. The two options for Peel Region are to align to either the existing City of Toronto/City of Brampton supplier diversity program structure or to align to City of Mississauga’s program which is in development.

An independent program that would differ from the two alignment options would require significantly more resources and time to develop and implement, while also resulting in mixed messaging within the shared vendor community used by Peel Region and our neighbouring local and regional municipalities.

CONCLUSION

Recognizing the role of the DEAR committee to advise Regional Council of systemic barriers and diversity issues that may impact Regional policies, programs and services, staff view this report to the committee as a valuable first step towards raising Regional Council awareness of available options that can contribute towards realizing goals set out in the BlackNorth Initiative pledge and to more broadly advance diversity, equity and inclusion efforts through supporting a diverse suppliers and supply chains.

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