



Social Procurement

Item 6

March 17, 2025

Building Investment, Finance and Audit Committee

Report: BIFAC:2025-12

To: Building Investment, Finance and Audit Committee
("BIFAC")

From: Chief Executive Officer

Date: February 18, 2025

PURPOSE:

This report discusses formalizing social procurement at TCHC.

Social Procurement is a component TCHC's Community Economic Development Strategy, primarily concerned with increasing opportunities for tenants and utilization of tenant-owned businesses and social enterprises. It is governed by TCHC's Procurement Policy, Procurement Procedures as well as trade treaties, and implemented through an integrated system, involving several distinct but related action plans and initiatives.

RECOMMENDATIONS:

It is recommended that the BIFAC receive this report for information, and forward to the Board of Directors (the "Board") for information.

REASONS FOR RECOMMENDATIONS:

Background

In 2006, TCHC's Board of Directors approved a Community Economic Development Strategy ("CEDS") for the organization. The goal of the CEDS was to "*promote economic resiliency in Toronto Community Housing communities as a means of breaking the cycle of poverty and contributing to the creation of healthy communities.*"

Since approval of the CEDS, TCHC has pursued its objectives through various initiatives, including informal community-based programs (e.g., hiring tenants to complete specific work such as common area painting) and formal contracts with developers to hire tenants during the revitalization.

TCHC has extensive experience supporting tenants through our CED strategy. In 2023, we assessed our progress in promoting economic resiliency for tenants and began developing a 10-year economic action plan. TCHC's current community economic development framework is outlined in Attachment 1.

Social Procurement

Our primary and secondary research showed increasing support for social procurement and that TCHC's capacity, strong internal controls, and our commitment to tenant economic advancement, enable us to formalize social procurement.

We have sufficient understanding about the job, training and business needs of tenants, that there are tenants who can work, want to work, and others who seek entrepreneurial opportunities. Since 2006, hundreds of tenants have secured employment with TCHC vendors and developers and procurement contracts have been awarded directly to tenant entrepreneurs and social enterprises through allowable procurement procedures, instead of competitive procurements. For example, in 2013, TCHC piloted direct awards for landscaping projects to social enterprise businesses. Since then, TCHC has worked with other social enterprises, such as Building Up and U&M Moving on various projects, including tenant relocations during the Swansea Mews Emergency.

Attachment 2 summarizes quantitative results¹ of TCHC's social procurement activities, including:

- \$6M in contracts to social enterprises
- \$24M in wages from developers and other vendors who employed close to 700 tenants
- \$2M awarded in tenant scholarships
- 150 tenants trained through external partnerships

¹ Results presented are based only on vendor/developer contributions during specific time periods.

Increasing Our Impact

In 2024, social enterprise businesses accounted for approximately \$1M or less than 0.1% of the total service contract spend,² and outside of Revitalization communities, in 2024, only two TCHC vendors supported CED through scholarships and hiring tenants.

TCHC's social procurement is a clear choice to support social and economic goals through purchasing. Initial efforts are focused on enhancing and increasing access to procurement contracts for tenant and social enterprise businesses. At the same time, the aim is for all vendors to contribute to our CED program. The strategy leverages our procurement system to advance CED outcomes, optimize sourcing and diversify vendors.

The objective in 2025 includes reconvening a cross-functional internal team, to move the social procurement framework forward and oversee its implementation. While the strategy is being developed, immediate action will be implemented to support qualified social enterprises who are ready to access up to \$5M in active TCHC contracts through appropriate procurement procedures already in place.

Over the next three years, from 2025-2027, TCHC will invest \$1.2B in capital repairs and ongoing maintenance, enabling the strategic implementation of a formal social procurement program. Social procurement will empower TCHC to gain from substantial contributions and resources from TCHC's supply chain that will be reinvested into CED initiatives. More tenant entrepreneurs and social enterprises will be able to compete as legitimate vendors without compromising the quality or cost efficiency of related services.

The social procurement strategy focuses on three priority areas:

1. **Strategic Sourcing.** Drive supply chain diversity and expand workforce development for tenants by sourcing from social enterprises and vendors that hire tenants.
2. **Procure with Impact.** Partner with value-add vendors by creating pathways for vendor contributions to CED; ensure accessibility for all vendors; and lead in social/procurement reporting.
3. **Equitable Internal Controls.** Authorize a cross-functional team for oversight of social procurement activities and reporting.

² Based only on social enterprise and tenant-owned businesses named in this report.

Outcomes and Impact

Social procurement is a catalyst for increasing opportunities for tenants who are disproportionately impacted by poverty and will support improving living conditions at household and community levels. The strategy will provide a framework for advancing the financial wherewithal and skillset of tenants by:

1. Identifying more opportunities for social enterprises and supporting tenants and tenant entrepreneurs to access procurement opportunities.
2. Increasing CED opportunities for tenants by incentivizing and/or requiring vendors to employ TCHC tenants, or offer apprenticeships, internships, training programs, and scholarships.
3. Connecting tenants with support agencies to start or develop small businesses or social enterprises.
4. Measuring direct and indirect social procurement outcomes and impacts.

Monitoring and evaluation will be vital over the next three years with benchmarks for all areas and impacts measured through:

- **Short Term:** \$5M in contracts for social enterprise and tenant businesses, and barriers reduced for inclusion to TCHC vendor list.
 - Metrics: Dollar value of social procurement contracts; Increase in number of social procurement contracts; Number of external agencies supporting tenant entrepreneurs.
- **Medium Term:** Tenants connected to employment and post-secondary opportunities and contracts awarded to tenant-owned businesses.
 - Metrics: Number of tenants and tenant businesses connected to opportunities; Number of (new) social enterprises and tenant businesses; Value of in-kind support for tenant businesses.
- **Long Term Impact:** Increase in annual tenant/household incomes and decrease in anti-social behaviour in communities.
 - Metrics: Number of Rent Geared to Income Units transitioning to Market rent.

NEXT STEPS

TCHC plans to undertake several key activities in 2025, including:

- Prioritizing contracts for social procurement vendors.

- Establishing a cross-functional team co-led by Programs and Partnerships and Strategic Procurement to advance the social procurement strategy.
- Ensuring that support for and understanding of social procurement is built across the organization.
- Completing procurement related administrative tasks.
- Engaging with both tenants and vendors.
- Engaging key external stakeholders, namely agencies and firms that support tenants and tenant entrepreneurs.
- Developing a comprehensive evaluation plan.
- Preparing a report on financial implications for social procurement.

SIGNATURE:

“Sean Baird”

Chief Executive Officer

ATTACHMENTS:

1. Overview of Current CED Framework
2. Overview of Social Procurement Activities
3. TCHC Social Procurement Strategy Presentation

STAFF CONTACTS:

Racquel Nelson
Manager, Community Economic Development
416-981-5259
Racquel.nelson@torontohousing.ca

Hanan Barakat
Senior Director, Strategic Procurement
416-981-6141
Hanan.barakat@torontohousing.ca

Overview of Current Community Economic Development Framework

The chart below represents the five pillars of TCHC's current CED Strategy

CED Pillar	Description
Employment	Strategies that support tenants to access employment opportunities at TCHC, including through revitalization jobs and other TCHC vendor partners; other city agencies (i.e., TTC, Toronto Zoo); and referrals through external networks.
Employment Readiness/Training	Collaborations and partnerships with various external groups to offer employment readiness training to tenants, including computer training, resume/interview preparation and pre-apprenticeship training and certifications.
Education	Scholarships for post-secondary education offered through TCHC's Investing In Our Diversity Scholarship program and scholarship programs in revitalization communities. TCHC also partners with post-secondary institutions, grass-roots organizations and non-profit groups to promote financial resources for post-secondary studies, information sessions, customized visits and tours to various campuses, homework clubs and tutoring, STEM, reading clubs and the like to increase awareness and maximize access to available education resources.
Mentorship	Initiatives that support economic advancement by equipping tenants with the skills, knowledge and networking opportunities needed to thrive in the post-secondary studies and/or the labour market.
Small Business Development/Social Enterprise	Programs and activities that support prospective/tenant entrepreneurs to develop their business ideas, promote their small businesses and/or access TCHC procurement opportunities/contracts.

Overview of Social Procurement Activities

The chart below provides an overview of some quantitative results of TCHC social procurement activities according to current CED pillars.*

Vendor Contribution	Employment Construction and Trades	\$27M 691 Tenants	Vendor/Partner	Program	Tenants Employed	Wages Paid	Union Placements	Private Sector Placements	Timeline
			Brook Restoration	Pre-Apprenticeship	57	\$456,000	16	9	2024 Q2 - Q4
			Building Up	Pre-Apprenticeship	170	\$2,236,015	49	40	2017 - 2024
			Developer Partners	Revitalization	464	\$24,500,000	54		2008 - 2024
Scholarships Post-Secondary Education	\$2.66M	Developer Partners + Two current TCHC Vendors	Investing In Our Diversity Scholarships and Revitalization Scholarships		1066				2003-2024
			Non-profit organization		Program	Tenants Trained/ Supported	Wages Paid	Job Placements	Timeline
			The Neighbourhood Group and SEAS Centre	Returnship	43	\$138,151	13	2024	
				Data Collection Ambassadors	24	\$47,253	21		
Pancake MIX	4	\$5,012		4					
37 Kids	50	\$35,176		50					
St. Stephen's CH	Revite Microgrants	28	\$21,580	N/A	2018-2020				
External Partnerships	Employment Readiness/Training Pre-employment training, job coaching, resume/interview support, trustee resources and support	149 Tenants	Social Enterprise/Tenant-Owned Business		Service Provided	Active Since	Site	Contract Amount	
			U&M Moving	Moving	2023	Various	\$184,375		
			Jani-King	Janitorial	2021	LH	\$19,300		
			Gordonridge Action Committee	Catering	2021	Various	\$106,344		
			Building Up	A/C removal, Janitorial Services, other	2017	Various	\$5,335,112		
			Alexandra Park CC	Back-end office support	2016	Various	\$649,066		
			Keenan Community HS	Janitorial	2016	Various	\$125,106		

*This only includes those outcomes related to social procurement during the specified time period (i.e., involving a tenant-owned or social enterprise business, vendor contribution and examples of non-profits that supported with training tenants). This is not an exhaustive description of CED outcomes.

TCHC SOCIAL PROCUREMENT STRATEGY

BIFAC Presentation
March 2025



Community Economic Development

TCHC Contribution to Economic Development

Focus Area	Indicators	2024
Employment Readiness/Training	#Tenants trained/received a certification	202
Employment	#Tenants employed through corporate CED programs \$Wages earned	180 \$1M
Education	\$Total value of scholarships awarded	\$144k
Mentorship	#Mentorship/Networking sessions	20
Social Enterprise/Small Business	\$Total value awarded to tenant vendors/social enterprise business	\$1M

Community Economic Development

Vendor Contribution to Economic Development

Focus Area	2024	2025/2026	% Increase
Employment	190 tenants \$2M wages	220 tenants \$3.5M wages	16% increase 53% increase
Scholarship Donors	2	4	100% increase
Social Enterprise/Tenant Business	\$1M	\$5M	400% increase

Current vs. (Immediate) Future State

Social Procurement

TCHC Distinction



CED STRATEGY

SP is connected to TCHC's broader efforts to support economic resiliency.



INTENTIONAL

Clear choice to advance social and economic goals through TCHC's purchasing.



PROCUREMENT POLICY

Governed by Procurement Policy and Procedures and Trade Treaties.

Vision

Procure goods and services from tenant-owned and social enterprise businesses and leverage all vendor partnerships to boost our economic development program.

Context for Social Procurement



Tenant Population

Tenant Interest

Repair and Maintenance Budgets

Research Findings

Social and Economic Status

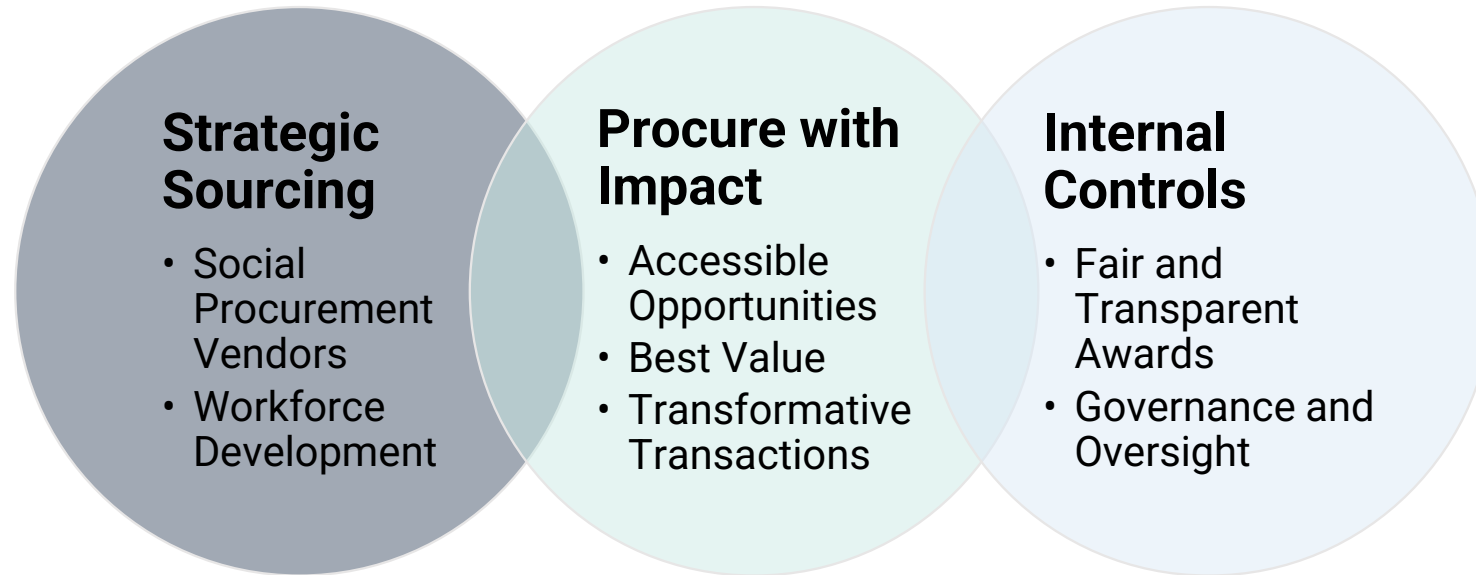
Economic Goals

Procurement System

Evidence for Social Procurement

Social Procurement Strategy

Priority Areas



Solving Some Business Needs with Tenants

Social Procurement Vendors

Examples of Contracts Awarded

Vendor	Vendor Type	Contract Description	Award Amount
U&M Moving	Tenant-owned	Swansea Emergency Relocations	\$250,000 - \$350,000
Building Up	Social Enterprise	Energy Squad Program Measures & Plug Load Audits at 33 TCHC Locations for 2023	\$350,000 - \$500,000

Quality and Cost Comparison

Social Enterprise Overall Performance



Timeline

Immediate Next Steps

