

Community Wealth Building Wednesdays

Exploring Community Wealth Building Through Social Procurement in Ontario

The logo for Buy Social Canada is contained within a white circle. It features the words "buy" and "social" in a bold, lowercase, sans-serif font, with a small green maple leaf icon positioned above the letter "i" in "social". Below "social", the word "CANADA" is written in a smaller, all-caps, sans-serif font.

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PART 2

Building the Demand Side by Purchasing

Anchor Institutions

This five-part knowledge series explores how a strong social procurement ecosystem builds community wealth in Ontario. The series will examine the entire ecosystem – the role of social enterprises as suppliers, the part played by social value purchasers on the demand side, and how community is defining and driving social value outcomes.

Each week, with the help of our panelists, we will explore one critical piece of this eco-system through an engaged virtual dialogue model.

In the second week of our five-part series we explore social procurement of goods and services in Ontario.

Brought to you by

This series is brought to you by Buy Social Canada in partnership with the Ontario Non-profit Network, Canadian CED Network, Ontario Trillium Foundation and AnchorTO.

Community Wealth Building & Community Capital

In cities and rural communities across the province, many Ontarians are faced with income inequality, equity challenges and social exclusion. With the onset and recovery from COVID 19 the current market-based threats will only worsen unless we can create an economic system that builds wealth and prosperity for everyone.¹

Community wealth building strategies seek to empower communities by leveraging local resources to generate wealth equality. It does so through seven essential wealth building drivers; place, ownership, multipliers, collaboration, inclusion, ecosystems, and workforce development.² Each of these drivers offer a powerful contrast to the traditional economic practices. The webinar series will explore the relationships of the social procurement ecosystem and its different components to build community wealth.

Another way of framing community wealth is to build community capital. Community capital is the foundation of healthy communities and consists of five kinds of capital: cultural, physical, human, economic and social. One way to create community capital, and the focus of our ecosystem journey, is through social procurement.

Social procurement happens when purchasers use their buying power to create social value above and beyond the value of the goods or services being bought. Procurement becomes a means to create community capital and wealth.

Social Procurement

Social procurement leverages a social value from existing procurement and provides the capacity to transform procurement from the traditional model of merely an economic transaction between buyer and seller, to a means for social transformation in communities. Social procurement, depending on the purchaser's goals, can include employment opportunities, including for persons facing barriers; training and apprenticeships; supply chain inclusion for social enterprises and social value suppliers, and local economic development.³

¹ [Keane Bhatt, Educate and Empower-Tools for Building Community Wealth \(2015\)](#)

² [Marjorie Kelly, Cities Building Community Wealth \(2015\)](#)

³ [Buy Social Canada, Social Procurement in 2021: Unprecedented Potential for a Paradigm Shift \(2021\)](#)

Social procurement ecosystem

Ultimately, social procurement is a means to contribute to building community wealth and the creation of healthy and vibrant urban and rural communities.

The social procurement ecosystem is the specific marketplace in which the demand side and the supply side of social procurement interact. The supply side comprises of those supplying the goods and services within the marketplace, social enterprises and social value suppliers, and the demand side comprises of purchasers who are demanding those goods and services, such as governments, contractors, large corporates, and individual consumers. Like any ecosystem, it is made up of several highly interconnected elements. Each of these elements will be explored throughout the duration of this webinar series. The stronger the ecosystem, and the more integrated the elements, the greater the impact of our purchase, and the greater the community wealth and community capital created.

Every purchase has a social, economic and environmental impact. Social procurement is about harnessing your existing purchasing power to achieve positive social and economic outcomes, and to create inclusive, vibrant and healthy communities.

Buy with impact

Governments, institutions and organizations across Canada are increasingly including social procurement objectives in their purchasing considerations, through bids, RFPs, direct awards and p-cards. These organizations are imbedding social value considerations into their existing procurement processes, including direct spend targets with social enterprises and social value suppliers and through sub-contracts.

There are many social procurement efforts and projects in Ontario, from government, corporates, and communities, who are making a considerable impact with their purchasing.

Institutional purchasers with purpose



AnchorTO was launched in 2014 in an effort to lead and coordinate anchor institutions across Toronto to carry out community-based purchasing and hiring through social value suppliers and diverse-owned businesses. With its multi billion dollar budget, the City of Toronto is a critical anchor in the social and economic growth of the city. The aim of AnchorTO is to leverage the institutions' annual spending of billions of dollars of goods and services each year, alongside the purchasing carried out by other anchor institutions.⁴ Since 2014, AnchorTO has distributed various tools and resources across their networks in order to help their network maximize the impact of their institutional spending. They have

created a community of practice, a space where their 18 network members can come together and share experiences, resources and lessons learned. In 2019, they held their first AnchorTO summit; this was an opportunity to not just identify community partners but to recognize that implementing social procurement effectively cannot be done in silos. It requires the entire ecosystem to be engaged and to work with one another. This thought led to the building of the AnchorTO Vendor Portal, an online directory of social enterprises and diverse suppliers that anchor institutions could have access to whilst sharing social procurement opportunities and updates.

“Anchor institutions need to develop supportive and collaborative relationships with the vendor community in order to successfully implement social procurement programs. Collaboration matters.”
– Hanifa Kassam, AnchorTO

York University is one of Canada's first universities to have a social procurement policy, which was approved by the University board and implemented in 2019. The main purpose of this policy was for the University to diversify their supply chain by providing social value and diverse suppliers equitable access to tendering opportunities. York University's social procurement policy aims to demonstrate the University's commitment to use its purchasing power to benefit local communities and to provide access to underrepresented businesses and communities within its supply chain.⁵

⁴ [Webinar | Leveraging Local Assets and Social Procurement: Tamarack Institute, Jan 28, 2020](#)

⁵ [Social Procurement at York University](#)

By leveraging existing purchasing, the University is providing opportunities to those who otherwise face social and economic barriers and disproportionately face social exclusion and income inequality.

Currently, several of York University's campus projects have social procurement targets imbedded within the contracts. One of these projects is the construction of their New School of Continuing Studies, where the social procurement target spend is \$600,000, approximately 5% of their total spend value. These contracts ensure that purchasing is done from social enterprises and diverse suppliers that fall within a certain radius of the University's campus to ensure that local communities and neighbourhoods are positively impacted through these projects. The University is also in the process of constructing a new Markham campus, where the social procurement target spend has been set to \$3 million.

"We identified the vendors we wanted to work with through a pre-qualification process. This process allowed us to identify which suppliers would support our focus and mission of uplifting our local communities through our social procurement program." - Dexter King, York University

Other organizations in Ontario, like Georgian College's [Social Enterprise Network of Central Ontario \(SENCO\)](#), are working with purchasers to support community wealth building and community capital creation through social procurement programs and initiatives across the central region of the province. In 2020, SENCO, in partnership with Ashoka Canada, launched their Community Benefit Purchasing Project.⁶ The project is supporting social enterprises and social procurement purchasers through a host of project activities, including the compilation of a database of diverse and social enterprise suppliers in Central Ontario, introductory social procurement sessions, expert-led events exploring successful projects in social procurement and expert facilitation for social enterprises and purchasers across Central Ontario.

Public sector organizations, anchor institutions and large corporates are all powerful engines of community wealth building. Organizations like York University, AnchorTO and SENCO are demonstrating that when procurement dollars are spent on social procurement, it drives the social value marketplace and fuels healthy communities. The social procurement carried out by governments, anchor institutions and other purchasers creates the demand needed by social enterprises, thus playing their part in strengthening the social procurement ecosystem.

⁶ [SENCO and Ashoka Canada launch Community Benefit Purchasing Project, 2020](#)