

Corporate Procurement and Supply Services

Edmonton

Sustainable Procurement

Diversity Spend Framework

Developed with Buy Social Canada

Contact information
Sohrab Sohrabi, Branch Manager, CPSS
edmonton.ca/business_economy/selling_to_the_city/sustainable-purchasing

Approved on:

Table of Contents

- Introduction.....2**
- Objectives..... 2**
- Definitions..... 2**
- Reporting..... 8**
 - Annual Diversity Spend Report.....8
 - Potential Targets.....9
 - Additional Reporting Metrics..... 9
- Diversity Spend Supporting Tactics..... 10**
 - Current Efforts to Increase Diversity Spend..... 10
 - Recommendations for Future Activities to Increase Diversity Spend..... 11
- Appendix A – Diversity Spend Case Study: Prince George’s County, Maryland..... 13**
- Appendix B – Social Value Supplier Procurement Readiness Assessment..... 15**

Introduction

As stated in the [Diversity and Inclusion Policy - C538](#), the City of Edmonton recognizes diversity as “a defining feature of Edmonton’s past, present and future” and that “through inclusion, the City of Edmonton makes full, effective use of the broad range of talents, abilities and perspectives found amongst our citizens.”

Aligned with these statements, and to lead meaningful contributions to the City’s [Sustainable Procurement Policy - C556C](#), the City wants to develop a supplier network that is broadly reflective of Edmonton’s diverse communities and identify opportunities to increase representation and create equitable access to City contracts.

The Diversity Spend Reporting Framework is a component of the City of Edmonton’s Sustainable Procurement Measurement and Reporting Framework.

Objectives

The Diversity Spend Reporting Framework is intended to:

- Facilitate the representation of social value suppliers within the City of Edmonton’s supplier base,
- Allow purchasers to track the diversity of the City’s suppliers against the City’s Sustainable Procurement Social Value Consideration outcomes.
- Display tactics for full, equitable participation of social value suppliers within the City’s procurement process and the local economy.

Adherence to the framework will help increase the City’s diversity spend by helping to remove barriers faced by social value suppliers and increasing their participation in the City’s procurement processes.

Definitions

The following table contains a review of terms used in the Diversity Spend Reporting Framework. The term “diversity spend” relates to the City expenses with social value suppliers who create social value through their ownership structure, governance, purpose, or operations. The term “social value suppliers” encompasses social enterprises, Indigenous businesses, diverse-owned businesses, and social purpose organizations.

Term	Definition
Business owned by 2SLGBTQIA+	<p>Recognized Certifications:</p> <ul style="list-style-type: none"> • Canadian Gay and Lesbian Chamber of Commerce (CGLCC) <p><i>(Source: Buy Social Canada)</i></p>
2SLGBTQIA+	<p>2SLGBTQIA+ is an acronym for Two-Spirit, Lesbian, Gay, Bisexual, Transgender, Queer, Questioning, Intersex, Asexual, and plus (signifying the expansiveness of the community and all the other identities not listed in the acronym).</p> <p><i>(Source: City of Edmonton Inclusive Language Guide)</i></p>
Business owned by people with disabilities/disabled persons	<p>A business that is majority owned, managed and controlled by individuals who identify as persons with disabilities.</p> <p>Recognized Certifications:</p>

	<ul style="list-style-type: none"> Inclusive Workplace and Supply Council of Canada (IWSCC)
Disabilities/disabled persons	<p>A person with a long-term or recurring physical, mental, psychiatric, intellectual or sensory impairment which, in interaction with various attitudinal and environmental barriers, hinders their full and effective participation in society on an equal basis with others. This is a self-defined characteristic and does not require an external or formal recognition of disability.</p> <p><i>(Source: Buy Social Canada)</i></p>
Business owned by racialized peoples	<p>A business that is majority owned, managed and controlled by individuals who identify as racialized.</p> <p>Recognized Certifications:</p> <ul style="list-style-type: none"> Canadian Aboriginal & Minority Supplier Council (CAMSC) National Minority Supplier Development Council (NMSDC) <p><i>(Source: Buy Social Canada)</i></p>
Racialized peoples	<p>An individual or groups of individuals including those who are perceived as non-white and are therefore subjected to racism and discrimination, including Chinese, South Asian, Black, Filipino, Latin American, Southeast Asian, Arab, West Asian, Japanese, Korean and other communities. Racialized communities also include Indigenous Peoples of nations outside of Canada. Organizations may use the term visible minorities, but current best practice is racialized peoples.</p> <p><i>(Source: Buy Social Canada)</i></p>
Diverse-owned Business	<p>A business that is majority owned, managed and controlled by individuals who identify as an equity-deserving group.</p> <p><i>(Source: Buy Social Canada)</i></p>
Equity-deserving Group	<p>Communities who, because of systemic discrimination, are denied and/or experience barriers to accessing the resources and opportunities that are available to other members of society. Barriers can be historic, social, environmental or attitudinal, based on identity factors such as age, race/ethnicity, religious beliefs, gender identity and expression, (dis)ability, age, nationality or sexual orientation . In Canada this may include, without limitation, the following:</p> <ul style="list-style-type: none"> Indigenous peoples; racialized peoples; immigrant, refugees and asylum seekers; persons with disabilities/disabled persons; women; and gender, sexual and romantic minorities (2SLGBTQIA+) <p><i>(Source: Queens University and Employment & Social Development Canada)</i></p>
Immigrant or refugee-owned business	<p>A business that is majority owned, managed and controlled by individuals who are immigrants or refugees.</p> <p><i>(Source: Buy Social Canada)</i></p>

Immigrant	<p>A person who is, or who has ever been, a landed immigrant or permanent resident. Such a person has been granted the right to live in Canada permanently by immigration authorities</p> <p><i>(Source: Statistics Canada)</i></p>
Indigenous Joint Venture	<p>Where the joint venture is with an Indigenous individual or business: The joint venture agreement defines the Indigenous partner or partners as having the relevant credentials in the industry and/or experience in operating a business, at least 51% ownership, majority of realized economic and monetary benefits, and majority management control.</p> <p>Where the joint venture is with an Indigenous Community Organization: The joint venture agreement defines the Indigenous community partner or partners as having at least 51% ownership, majority management control, and majority of realized socio-economic benefits, such as: economic and monetary benefits, Indigenous business procurement, recruitment and employment, skills training, initiatives for women; youth; and management capacity development, etc.</p> <p><i>(Source: Indigenous Procurement Working Group, National Indigenous Business Definition Report)</i></p>
Indigenous-owned Business	<p>A business that is 51% or more owned and controlled by First Nations, Inuit or Métis individuals, groups or organizations.</p> <p>Recognized Certifications:</p> <ul style="list-style-type: none"> ● Canadian Council of Indigenous Businesses (CCIB) ● Canadian Aboriginal & Minority Supplier Council (CAMSC) ● Northeastern Alberta Aboriginal Business Association (NAABA) <p><i>(Source: Buy Social Canada)</i></p>
Indigenous	<p>First Nations, Métis, Inuit people and communities, including urban Indigenous communities.</p> <p><i>(Source: Buy Social Canada)</i></p>
Intersectionality	<p>According to Kimberlé Crenshaw, the scholar who developed the theory, intersectionality is, “a lens through which you can see where power comes and collides, where it interlocks and intersects” (Columbia Law School, 2017). Our experiences are influenced by our identities, such as age, race, gender and many more. These identities can interact with power structures, and barriers compound in ways that create marginalization, disadvantage our well-being, development and opportunity.</p> <p><i>(Source: Art of Inclusion: Our Diversity & Inclusion Framework)</i></p>
Living Wage	<p>An hourly wage a worker needs to earn to cover their basic expenses and have a modest standard of living, once government transfers have been added and taxes have been subtracted. The definition of living wage used in all procurements for contracted services is to be</p>

	<p>consistent with City Policy C612B Living Wage for City of Edmonton Employees.</p> <p>A living wage is calculated regionally and can be found here.</p> <p><i>(Source: Buy Social Canada)</i></p>
Refugees and Asylum Seekers	<p>Refugee: A person who is forced to flee from persecution or who is at risk of serious harm and who is located outside of their home country. A person who has been recognized as a refugee and who has been granted the right to live in Canada by immigration authorities.</p> <p>Asylum Seeker: A person who is outside their country of origin and who is claiming a well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion. Until a determination is made, it is impossible to say whether the asylum-seeker is a refugee or not.</p> <p><i>(Source: Buy Social Canada)</i></p>
Social Enterprise	<p>A business that seeks to achieve a defined social, environmental or cultural purpose; it generates a significant portion of its income from selling goods or services, and the majority of net profits are re-invested in the purpose.</p> <p>Recognized Certifications:</p> <ul style="list-style-type: none"> • Buy Social Canada Certified Social Enterprise (Certification) <p><i>(Source: Buy Social Canada)</i></p>
Social Purpose Organization	<p>Organizations with social, environmental, or cultural missions including non-profits, charities, for-profits businesses, social enterprises, and co-operatives.</p> <p>Recognized Certifications:</p> <ul style="list-style-type: none"> • Buy Social Canada Certified Social Enterprise (Certification) • B-Corporation (Certification) • Living Wage employer (Certification) <p><i>(Source: Buy Social Canada, Government of Canada)</i></p>
Social Value Suppliers	<p>Businesses that create social value through ownership structure and/or operations. Includes social enterprises, Indigenous businesses, diverse-owned businesses and social purpose organizations.</p> <p><i>(Source: Buy Social Canada)</i></p>
Social Value	<p>Social value refers to the impacts of programs and organizations on the wellbeing of individuals and communities.</p> <p><i>(Source: Buy Social Canada)</i></p>
Veteran-owned business	<p>Recognized Certifications:</p> <ul style="list-style-type: none"> • Inclusive Workplace and Supply Council of Canada (IWSCC) <p><i>(Source: Buy Social Canada)</i></p>

Veteran	A person who is serving or who has honorably served in the Canadian Armed Forces, the commonwealth or its wartime allies, or as a Regular Member of the Royal Canadian Mounted Police, or as a Peace Officer in a Special Duty Area or on a Special Duty Operation, or who has served in the Merchant Navy or Ferry Command during wartime. <i>(Source: Buy Social Canada)</i>
Women-owned Business	A business that is majority owned, managed and controlled by individuals who identify as women. Recognized Certifications: <ul style="list-style-type: none"> • WBE Canada (WBE) • WeConnect International (WCI) • Women's Business Enterprise National Council (WBENC) <i>(Source: Buy Social Canada)</i>
Women	Self-identified
Youth	A person between the ages of 16 to 24 years old. <i>(Source: United Nations)</i>

Reporting

Annual Diversity Spend Report

The Diversity Spend Report will be released annually as part of the sustainable procurement annual reporting process. The City will use this information to track year-on-year progress on the inclusion of social value suppliers in its procurement spend. The feedback from the Annual Diversity Spend Report will help provide feedback on sustainable procurement tactics to improve procurement practices and increase diversity spend.

Metric	2022	2023	Year X
Total City spend	\$1.5B (100%)	\$1.4B (100%)	
Total subcontracting spend <ul style="list-style-type: none"> • with social enterprises • with diverse businesses 	\$1,495,300 \$46,800 \$1,448,500		
Total diversity spend	\$30M (2%)	\$40.2M (2.8%)	
• Indigenous business spend	\$13,367,461 (0.9%)	\$17,099,062 (1.22%)	
• Business-owned by racialized peoples spend	\$8,844,927 (0.6%)	\$9,302,185 (0.7%)	
• Women-owned business spend	\$5,810,821 (0.4%)	\$7,894,371 (0.6%)	

• Immigrant or refugee-owned business spend	\$966,697 (0.06%)	\$4,814,530 (0.3%)	
• Social purpose organization spend	\$947,352 (0.06%)	\$5,326,070 (0.4%)	
• Business-owned by 2SLGBTQIA+ spend	\$54,850 (0.01%)	\$1,386	
• Veteran-owned business spend	\$34,880 (0.01%)	\$65,100 (0.01%)	
• Business owned by people with disabilities/disabled persons.	-	-	
• Social enterprise spend	-	-	

Potential Targets

Establishing targets for the City's diversity spend may help to motivate increased spend. These targets help to address historical disparities, empower social value suppliers economically, and encourage their full participation in the local economy to achieve positive benefits for the community as a whole.

The analysis of the City diversity spend in 2022 and 2023 forms a baseline to set up potential targets. Note that this analysis currently does not incorporate subcontracting spend except for the Valley Line West in 2022. Over time, the diversity subcontracting spend will be reported and the diversity spend is expected to increase. As a reminder, in 2022 and 2023, the diversity spend represented 2% and 2.8% of the total City of Edmonton spend of approximately \$1.5B (2022) and \$1.4B (2023).

Based on the potential of the different existing or to be developed tactics, the City will set an annual target to increase its diversity spend.

- Increase annual diversity spend to **X** %

Additional Reporting Metrics

The metrics below are aligned with achieving the City's sustainable procurement objectives and can be tracked, measured, and reported on to provide feedback on the diversity spend. The reporting metrics and qualitative stories of successes and challenges will be compiled into the annual report.

The performance metrics that can also be collected for the Diversity Spend Report include:

- # of social value suppliers who participated in bids
- # of social value suppliers who received contracts
- # of Indigenous businesses who received contracts
- Dollar value of diversity spend by purchasing category
- Dollar value diversity spend for low-value procurements
- Subcontracting diversity spend data from Sustainable Procurement Menu

Diversity Spend Supporting Tactics

The City has multiple sustainable procurement tactics that support the increased inclusion of social value suppliers in the City's purchasing and therefore helps to increase diversity spend. There are additional activities that the City may consider in the future to further support increased diversity spend.¹

Current Efforts to Increase Diversity Spend

The current efforts to support diversity spend at the City of Edmonton include :

1. **Provide tools to incorporate social value for small buys**
The Low Value Purchase Guide applies to purchases under \$25,000 that are completed either through low value purchase orders (POs) or through the use of corporate credit cards. The Guide directs staff to prioritize purchasing from social value suppliers while still seeking 'best value' overall which includes price, quality, social and environmental considerations. The Guide includes a list of directories and questions to support staff in finding social value suppliers.
2. **Host and attend targeted outreach events**
Increasing targeted outreach and networking events help to build relationships with and awareness of social value suppliers in the Edmonton market. These events provide a platform for face-to-face interactions, networking, and help City purchasers to understand the business offerings of different social value suppliers. Hosting such events demonstrates the City's commitment to engaging with social value suppliers, fosters collaboration, and expands the pool of potential social value suppliers to do business with the City.
3. **Increase supplier information communications to streamline processes**
The City has ongoing efforts to communicate with suppliers to provide clear and comprehensive information about procurement processes, requirements, and opportunities. The Sustainable Procurement Lead is a single point of contact to liaise with social value suppliers and City departments. Hosting sessions of *Selling to the City* webinars allows social value suppliers to increase understanding of the City's procurement processes, reduces confusion, and encourages a broader range of social value suppliers to participate.
4. **Communicate to suppliers what City departments purchase in a transparent way**
Ahead of public events, department purchasers will identify what types of goods or services they most commonly purchase and which of those purchase types a small business could likely provide. This type of information will help social value suppliers identify more clearly where there are opportunities to sell their products and which relationships and processes to engage with. This awareness-building of procurement opportunities is very helpful for attracting social value suppliers.
5. **Referrals from Business Friendly Edmonton**
The City's Business Friendly Edmonton Initiative delivers enhanced services that integrate the City's business retention and expansion services, promotes innovation, and supports businesses of all sizes and stages. The Business Friendly Edmonton team provides tailored guidance and assistance to help entrepreneurs navigate the complexities of running a business in Edmonton, including:
 - How to apply for and obtain a business license
 - Zoning and safety codes considerations for a specific business and location
 - Timelines and fees associated with obtaining the necessary permits

¹ A case study of the diversity spend program from Prince George's County, Maryland, USA illustrates activities taken to increase diversity spend from 12% to 30% over three years. The full details of this case study including key learnings for the City of Edmonton can be seen in Appendix A – Diversity Spend Case Study: Prince George's County, Maryland. The learnings from this case study have been incorporated into the current efforts and recommendations below.

- Business location support
- Home-based business regulations
- Small business workshops discussing common issues or inquiries with regulatory information
- Assistance with applying to City-offered grants
- Support for innovative businesses to partner with the City

Business Friendly Edmonton supports over 2000 local businesses per year and can refer relevant social value suppliers.

Recommendations for Future Activities to Increase Diversity Spend

To further increase the City's diversity spend, the following sustainable procurement tactics are recommended.

1. **Conduct a social value supplier procurement readiness assessment**
Social value supplier procurement readiness is a way to help the City to understand social value supplier capacity to engage with competitive bids. A procurement readiness survey would help to explore the current capacity amongst Edmonton social values suppliers to engage with City procurement. This survey would include questions about an organization's experience and interest in engaging with competitive bids at the City of Edmonton. A full description of the procurement readiness assessment and a sample survey can be found in Appendix B – Social Value Supplier Procurement Readiness Assessment.
2. **Support business capacity programming such as a mentor/protégé program**
A business capacity program can further help with procurement readiness. For example, a program could pair experienced suppliers with social value suppliers to share guidance, resources, and knowledge building. Investing in business capacity programming, such as mentor/protégé initiatives, would be helpful to develop the capabilities of social value suppliers. By fostering mentorship, the City can contribute to the long-term success and growth of social value suppliers, making them more competitive in the marketplace.
3. **Create a preferred supplier process to purchase goods and services from social value suppliers.**
Establish a preferred supplier list of pre-approved social value suppliers for low-dollar value and quick purchasing. This would streamline purchasing from social value suppliers and provide a resource for City staff to buy from pre-approved suppliers. The City could assist suppliers in going through the pre-approval process so that they also become more procurement ready. There could be direct awards to social value suppliers for some purchase categories to reduce lead time and streamline the procurement process for these social value suppliers.
4. **Add a "sustainable procurement" keyword or tag to bids that include sustainable procurement considerations**
By labelling procurement opportunities with a "sustainable procurement" tag or keyword in SAP Business Network Discovery (previously Ariba Discovery), bid opportunities including sustainable procurement considerations can be found through a quick search. The City can also develop a system for social value suppliers to track and be notified of procurement opportunities that contain the "sustainable procurement" keyword or tag.
5. **Consider adding co-operatives as social value suppliers**
The City can review potentially adding co-operatives to the definition of social value suppliers to help to foster inclusive economic growth. Through their democratic structure and collective ownership, co-operatives empower individuals within communities and promote shared community benefits and resilience. Co-operatives contribute to the City's sustainable procurement social value considerations.

Appendix A – Diversity Spend Case Study: Prince George’s County, Maryland

The following is a summary from the webinar “Moving the Needle: Elementary Units for Gains in Public Sector Supplier Diversity” which details the supplier diversity journey for Prince George’s County, Maryland.

‘We were challenged with goals until we became intentional and deliberate’ - Jonathan R Butler, Chief Procurement Officer, Prince Georg’s County

Demographics

- The majority of the population are "Minorities" with 57% Black, 20% Hispanic, and 11% White.
- These population percentages drive requirements for diverse procurement spending.
- Business diversity for the areas is 36% "Diverse" = Small, women and minority-owned

Supplier diversity spend goals

- 50% Local business - best efforts
- 20% Minority Business Enterprise (MBE)
- 30% Small business enterprises

Challenges

- Fiscal years 2017 - 2019 were far below the goals
- 12% minority business spend
- 13% small business spend

Steps taken by the County

1. They established a legal framework for new legislation which showed the gap between social value supplier availability and County spend.
2. They deployed a new set of online systems to reduce barriers through digitization. This includes [business registration](#), [business certification](#), [vendor profile management](#), [business highway](#) information portal, and SAP Ariba eProcurement.
3. They launched opportunities exclusive to social value suppliers including the [Greenbook](#).
4. They strengthened business capacity by establishing a new [mentor-protege](#) program to increase capacity of small businesses by partnering with larger businesses.
5. They deployed tactical sourcing by developing a [Supply Schedule Program](#) and an On-Call Construction Contracting Program for diverse and small suppliers exclusively.
6. They conducted targeted outreach through events and business roundtables.

Impact of these programs

For the 2022 fiscal year, their goals were exceeded with achieved spends of:

- 38% Small business
- 30% MBE
- 34% on small and MBE on goods and services
- 78% small and MBE on construction/capital

Cost of implementation of these programs

- Most of it was done in-house with IT partners
- SAP Ariba
- CCS - Certification and Compliance System for business registration and certification

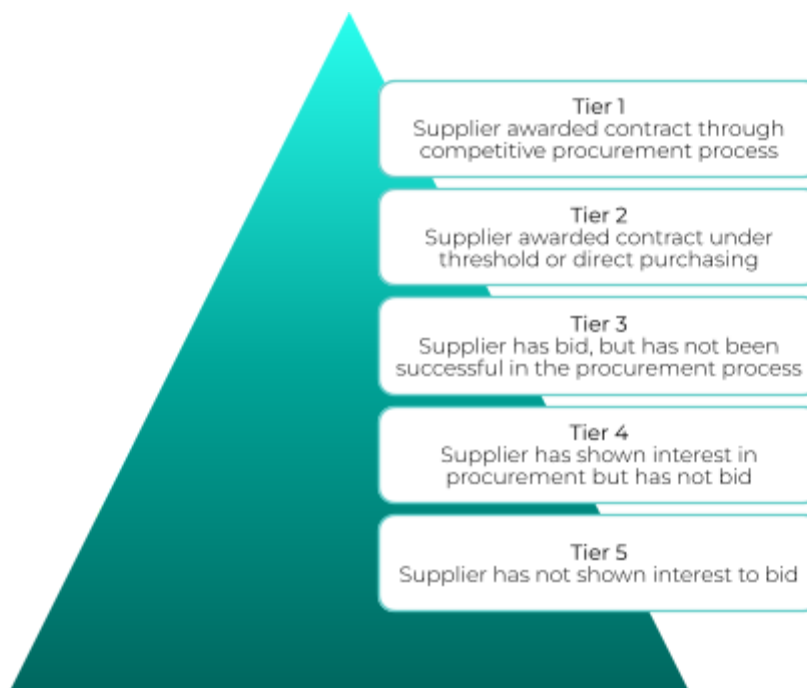
Recommendations for the City of Edmonton

1. Create the base demographic and business sector capacity argument for underutilization of diverse suppliers.
2. Increase supplier information communications to streamline processes.
3. Communicate to suppliers what City departments purchase in a transparent way like the Greenbook.
4. Fund business capacity programming such as the mentor/protege program.

5. Create a preferred supplier process for goods and services from diverse suppliers. This could be for low dollar value and quick purchasing.
6. Host and attend more targeted outreach events like the Social Procurement Networking Event.

Appendix B – Social Value Supplier Procurement Readiness Assessment

This assessment of social value supplier procurement readiness aims to increase participation in all tiers and progressively build social value suppliers' capacity to engage with the City's procurement and increase diversity spend.



This survey can be administered to

- new vendors as part of their Ariba account set up,
- sent as a survey to existing ones,
- any potential supplier (tiers 3-5).

1. Have you downloaded bid documents for at least one of the City's procurement opportunities?
 - a. Yes, I have (go to question 2.)
 - b. No, I have not (Tier 5)
2. Have you ever submitted a bid for any of the City's procurement opportunities?
 - a. Yes, I have (go to question 3.)
 - b. No, I have not (Tier 4)
3. Have you ever been awarded a?
 - a. Yes, I have (go to question 4.)
 - b. No, I have not (Tier 3)
4. If you already got awarded a business with the City,
 - a. Was it through direct purchasing? (Tier 2)
 - b. Was it through a below threshold contract? (Tier 2)
 - c. Was it through a competitive procurement process? (Tier 1)

Classify social value suppliers that have interacted with the City over the past X years into Tier 1 to Tier 4 categories. Aggregate a list of potential social value suppliers from business associations and networks to feed Tier 5 category

Social Value Supplier Type	Total	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
Immigrant or refugee-owned business						
Business-owned by racialized peoples						
Women-owned business						
Business-owned by persons with disabilities						
Indigenous business						
Business-owned by 2SLGBTQQA+						
Veteran-owned business						
Social Enterprise						
Social Purpose Organization						