



**JURISDICTIONAL SCAN OF
SOCIAL PROCUREMENT PROVISIONS
IN PUBLIC PROCUREMENT POLICIES**



**ONTARIO
SOCIETY OF
PROFESSIONAL
ENGINEERS**

PROJECT

Leveraging Public Sector Procurement Policies to
Expand Opportunities for Women in Engineering

Prepared by :
Prism Economics
and Analysis

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Organization	Representative	Position
Association of Consulting Engineering Companies – Canada	John Gamble, P.Eng.	President and CEO
Association of Consulting Engineering Companies – Ontario	Laura Korneluk	Manager, Engagement
Buy Social Canada	David LePage	Managing Partner
Canadian Collaboration for Sustainable Procurement	Tim Reeve	President
Construction and Design Alliance of Ontario	Sharon Portelli	President
Engineers Canada	Cassandra Polyzou	Manager, Equity, Diversity, and Inclusion
Ontario Chamber of Commerce	Rocco Rossi	President & CEO
Society of Women Engineers – Toronto	Elaine Samuel	President
OSPE Diversity & Inclusion Task Force	Karen Chan, P.Eng.	Member

Research by



PRISM
ECONOMICS AND ANALYSIS

Jurisdictional Scan of Social Procurement Provisions in Public Procurement Policies

Executive Summary

The purpose of this project, funded by Women and Gender Equality Canada (WAGE), is to explore the potential to use public procurement policy to advance diversity goals in the procurement of engineering services and, in particular, to support increased career opportunities for women in consulting engineering and in the engineering profession.

“Social procurement” refers to the use of procurement to achieve societal goals beyond the purchase of goods or services. Many other terms are also used to describe these types of procurement policies. The purpose of this jurisdictional scan is to compile information on social procurement provisions by public sector organizations. The scan covers 40 jurisdictions in Canada, the United States, Australia, and the U.K. The scan also supports certain conclusions on how these policies apply or do not apply to supporting equity, diversity, and inclusion in the procurement of professional services, especially engineering services.

The scan shows that there is a significant trend, especially at the municipal level, to incorporate social procurement principles into procurement policy. An important inference from this trend is that there is likely to be an openness to new policies that align with the diversity goals found in many social procurement policies.

Many jurisdictions have adopted Supplier Diversity Programs. These programs put particular emphasis on the ownership and control of a business by members of an equity group. This link to ownership and control aligns poorly with the ownership models that predominate in professional services and in engineering services in particular.

Purchasing manager discretion in the application of social procurement goals is a common feature of policies, especially in complex procurements. Any new policy to support greater opportunity for women in consulting engineering through procurement policy will need to take into account the need for purchasing manager discretion.

Some social procurement policies use weighting procedures to confer points on a vendor for meeting certain social procurement criteria. These criteria may encompass the composition of the firm’s workforce, the composition of the proposed assignment team, and/or policies and programs in place to support and foster diversity. In principle, this opens the way to drawing on current best practices in the consulting engineering sector and supporting their broader adoption.

While some jurisdictions prefer to make their own determination on whether a vendor is diverse or has adequate diversity policies and programs, other jurisdictions prefer to rely on third party certifications.

The results of the jurisdiction scan suggest several questions that need to be explored with stakeholders, procurement specialists, and experts. These include:

- (1) What are the current best practices in the consulting engineering sector and how could procurement policy support the broader adoption of these best practices?
- (2) In promoting increased career opportunities for women in consulting engineering, what is the relative importance of the composition of an assignment team on a particular project versus the overall policies and practices of the engineering firm?
- (3) Given the complexity of procuring professional services, how can discretion be delegated to purchasing managers in a way that still preserves the intent of using procurement policy to advance diversity goals in the procurement of engineering services?
- (4) Should we be looking at a policy framework applicable to professional services in general, or should we be looking more specifically at a framework that is only for engineering services?
- (5) How would a policy framework deal with a situation in which an engineering firm is a sub-contractor rather than a prime contractor?
- (6) Is there a role for third party certification similar to the quality certifications that already operate in some aspects of professional services? If so, what might that look like?

These questions form the basis for further research for this project so that engineering companies will be encouraged to embrace more diversity in their workforce, especially women.

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Jurisdictional Scan of Social Procurement Provisions in Public Procurement Policies

The purpose of this project, funded by Women and Gender Equality Canada (WAGE), is to explore the potential to use public procurement policy to advance diversity goals in the procurement of engineering services and, in particular, to support increased career opportunities for women in consulting engineering and in the engineering profession.

Purpose of Report

The federal Office of the Procurement Ombudsman defines “social procurement” as “using procurement as a means for achieving strategic social, economic, and workforce development objectives” (Office of the Procurement Ombudsman, 2020). The purpose of this jurisdictional scan is to compile information on the extent of adoption of social procurement provisions by public sector organizations. The scan covers 40 jurisdictions in Canada, the United States, Australia, and the U.K. This is by no means a complete scan. However, the scan is sufficiently broad to provide a general indication of trends in public procurement. The scan also supports certain conclusions on how these policies apply or do not apply to supporting equity, diversity, and inclusion in the procurement of professional services, especially engineering services.

Terminology

“Social procurement” refers to the use of procurement to achieve societal goals beyond the purchase of goods or services. Many other terms are also used to describe these types of procurement policies. Among others, these include:

- Sustainable Procurement
- Community Benefits Policy
- Supplier Diversity
- Inclusive Procurement
- Triple Bottom Line Procurement
- Small Business Preference Policies or Set Asides
- Small and Medium Sized Enterprise (SME) Preference Policies or Set Asides
- Minority-Owned Business Preference Policies or Set Asides
- Women-Owned Business Preference Policies or Set Asides
- Small Medium Business Enterprise Policy

Some policies “import” social or other criteria into procurement practice by referencing recognized national or international standards.

For the purposes of this document, the term “social procurement” will be used to refer to all policies, the purpose of which is to advance social, economic, or ethical goals beyond the simple procurement of goods or services.

Social procurement policies also use different terms to designate the groups to whom they apply. These terms include, but are not limited to:

- Equity Groups or Equity-Seeking Groups¹
- Equality Groups or Equality-Seeking Groups
- Visible Minorities
- Marginalized Groups
- Historically Underrepresented Groups
- Minority Groups
- Underutilized Groups

For the purposes of this document, “equity group” will refer to any group which is included under the mandate of a social procurement policy. Most often, this includes some or all of:

- Women
- Racial Minorities
- Native Americans/Indigenous/Aboriginal/First Nations persons²
- LGBTQ2+ People
- Disabled Persons
- Veterans
- Recent Immigrants (Newcomers)
- Youth
- Economically Disadvantaged Persons

Social procurement policies may also encompass:

- Local Businesses
- Small Businesses
- Medium Businesses
- Social Enterprises

This scan does not encompass policies that focus on local businesses, small and medium-sized business, or social enterprises. However, some of the policies included in the scan may also address these types of businesses.

Social procurement does not detract from the traditional goal of public procurement policy which is to obtain services at the best value for the public where value involves an evaluation of price and in the case of services the proponent’s qualifications, experience, and the calibre of their proposal (where relevant).

The additional outcomes sought by social procurement include some or all of:

¹ Sec. 2 of the federal *Employment Equity Act* sets out the purpose of the legislation: “The purpose of this Act is to achieve equality in the workplace so that no person shall be denied employment opportunities or benefits for reasons unrelated to ability and, in the fulfilment of that goal, to correct the conditions of disadvantage in employment experienced by women, Aboriginal peoples, persons with disabilities and members of visible minorities by giving effect to the principle that employment equity means more than treating persons in the same way but also requires special measures and the accommodation of differences.”

² “Native American” is common U.S. usage. Sec. 35(2) of the Constitution Act refers to “Aboriginal peoples of Canada”. More recent Canadian usage is “Indigenous persons” or “Indigenous peoples”. This terminology implicitly links to the United Nations Declaration of the Rights of Indigenous Peoples. The Declaration asserts the right of Indigenous Peoples to grant or withhold consent to development projects on their traditional lands.

- Environmental sustainability
- The promotion of equity
- The equalization of economic opportunity
- The provision of workforce development and training opportunities
- The promotion of small, medium, or local businesses

There are significant differences across jurisdictions in the focus and design of social procurement. These differences are informed by the demographics of the region, its legal environment, its history, and other considerations.

Adoption of Social Procurement Policies

Table 1 summarizes the 40 jurisdictions in terms of whether they currently have a social procurement policy in force or are developing such a policy. As can be seen from Table 1, 31 of the canvassed jurisdictions currently have policies in place, while 9 are developing a social procurement policy.

Table 1: Adoption of Social Procurement Policies

Definitions	
Active	A policy which is currently being applied to procurement.
In Development	A policy which a jurisdiction has expressed an intent to develop, but which has not yet been implemented.

Jurisdiction	Status of Policy
Baltimore (US)	Active
Boston (US)	Active
Brampton (CA)	Active
Calgary (CA)	Active
Charlotte (US)	In Development
Chicago (US)	In Development
Cumberland (CA)	Active
Edmonton (CA)	Active
England (UK)	Active
Halifax (CA)	Active
Hartford (US)	Active
Indiana (US)	Active
Kingston (CA)	In Development
Manchester (UK)	Active
Massachusetts (US)	Active
Missouri (US)	Active

Montpelier (US)	Active
Nanaimo (CA)	In Development
New Orleans (US)	Active
New South Wales (AU)	Active
New York State (US)	Active
Niagara Region (CA)	In Development
Oregon (US)	Active
Peterborough (CA)	In Development
Portland (US)	Active
Providence (US)	Active
Queensland (AU)	Active
Regional Municipality. of Wood Buffalo (CA)	In Development
Rhode Island (US)	Active
Scotland (UK)	Active
Seattle (US)	Active
Squamish (CA)	Active
Surrey (CA)	Active
Tallahassee-Leon County (US)	In Development
Toronto (CA)	Active
Vancouver (CA)	Active
Victoria (AU)	Active
Washington State (US)	Active
Winnipeg (CA)	In Development
Wisconsin (US)	Active

Aspects of Diversity Policies

Social procurement can vary across a variety of different foci. This section describes some of the more relevant aspects of social procurement policies. These include:

- 1) [Enforcement](#)
- 2) [Specified Equity Groups](#)
- 3) [Method of Certification \(where applicable\)](#)
- 4) [Scope of Application](#)
- 5) [Method of Implementation](#)
- 6) [Ownership vs. Assignment Team](#)

1) Enforcement

A point of divergence among policies is whether or not a procurement is *required* to incorporate social considerations. This scan divides procurement policies into two categories: “Non-Discretionary” and “Purchasing Manager’s Discretion” (Table 2).

“Non-Discretionary” policies refer to policies which apply to *all* procurements which meet specific conditions. One example of a non-discretionary social procurement policy is that of Toronto, Canada. Toronto requires that *all* procurement processes valued below a specific dollar threshold include at least one bid from a firm which meets its equity group definition.

Policies which are captioned as “Purchasing Manager’s Discretion” delegate to a purchasing manager the determination as to whether some or all of the social procurement criteria will be applied. One example of a jurisdiction with such a procurement policy is Scotland, UK. Scotland mandates equity considerations in the procurement process on a case-by-case basis, depending on the characteristics of the procurement.

Table 2: Non-Discretionary Policies vs Purchasing Manager’s Discretion Policies

Definitions	
Purchasing Manager’s Discretion	A policy in which application of social procurement considerations is made at the discretion of the procuring department.
Non-Discretionary	A policy in which the application of social procurement considerations is made by a rule which is applied in all relevant cases.
TBD	To be determined or unclear from documentation.

Jurisdiction	Optionality
Baltimore (US)	Purchasing Manager’s Discretion
Boston (US)	Purchasing Manager’s Discretion
Brampton (CA)	Non-Discretionary
Calgary (CA)	Non-Discretionary
Charlotte (US)	Purchasing Manager’s Discretion

Chicago (US)	Non-Discretionary
Cumberland (CA)	Non-Discretionary
Edmonton (CA)	Purchasing Manager's Discretion
England (UK)	Purchasing Manager's Discretion
Halifax (CA)	Non-Discretionary
Hartford (US)	Non-Discretionary
Indiana (US)	Non-Discretionary
Kingston (CA)	TBD
Manchester (UK)	Purchasing Manager's Discretion
Massachusetts (US)	Non-Discretionary
Missouri (US)	Purchasing Manager's Discretion
Montpelier (US)	Purchasing Manager's Discretion
Nanaimo (CA)	TBD
New Orleans (US)	Purchasing Manager's Discretion
New South Wales (AU)	Purchasing Manager's Discretion
New York State (US)	Purchasing Manager's Discretion
Niagara Region (CA)	TBD
Oregon (US)	Purchasing Manager's Discretion
Peterborough (CA)	TBD
Portland (US)	Non-Discretionary
Providence (US)	Purchasing Manager's Discretion
Queensland (AU)	Non-Discretionary
Regional Municipality of Wood Buffalo (CA)	Non-Discretionary
Rhode Island (US)	Purchasing Manager's Discretion
Scotland (UK)	Purchasing Manager's Discretion
Seattle (US)	Non-Discretionary
Squamish (CA)	Purchasing Manager's Discretion
Surrey (CA)	Purchasing Manager's Discretion
Tallahassee-Leon County (US)	Purchasing Manager's Discretion
Toronto (CA)	Non-Discretionary
Vancouver (CA)	Purchasing Manager's Discretion
Victoria (AU)	Non-Discretionary
Washington State (US)	Purchasing Manager's Discretion
Winnipeg (CA)	TBD
Wisconsin (US)	Purchasing Manager's Discretion

Among the policies surveyed, 21 were categorized as operating under the Purchasing Manager's Discretion, 14 were categorized as Non-Discretionary, and 5 were categorized as TBD.

There is no evident best practice for the use of Non-Discretionary or Purchasing Manager's Discretion policies in social procurement. The different approaches may reflect philosophical preferences, limitations in the capacity of jurisdictions to apply or enforce social procurement criteria, or differences in the legal environment whereby some procurements are subject to trade agreements or other external constraints, while others are not.

Many Purchasing Manager’s Discretion policies use a phrase such as “where practical” to describe the obligations of suppliers to comply with social procurement policies. Others ask that suppliers make “good faith efforts” to conform to the requirements of the policy.

2) Specified Equity Group

Table 3 includes only groups which are explicitly mentioned in the respective social procurement policy. Many policies note that their lists are not comprehensive and may include additional groups that are not listed. Therefore, Table 3 may not reflect the full range of equity priorities.

Table 3: Specified Equity Groups in Social Procurement Policies

Jurisdiction	Focus
Baltimore (US)	Minorities, Women
Boston (US)	Minorities, Women
Brampton (CA)	Minorities, Women, Veterans, Indigenous Peoples, LGBTQ2+, Disabled, Newcomers
Calgary (CA)	Minorities, Women, Indigenous Peoples, LGBTQ2+, Disabled, Newcomers
Charlotte (US)	Minorities, Women
Chicago (US)	TBD
Cumberland (CA)	“Equity seeking groups”
Edmonton (CA)	Indigenous Peoples, Disabled, “Targeted Groups”
England (UK)	Minorities, Women, LGBTQ2+, Disabled
Halifax (CA)	Minorities, Women, Indigenous Peoples, LGBTQ2+, Disabled
Hartford (US)	Minorities, Women
Indiana (US)	Minorities, Women
Kingston (CA)	TBD
Manchester (UK)	Minorities, Disabled
Massachusetts (US)	Minorities, Women, Veterans, LGBTQ2+, Disabled
Missouri (US)	Minorities, Women
Montpelier (US)	Minorities, Women, Disabled
Nanaimo (CA)	TBD
New Orleans (US)	Minorities, Women, Indigenous Peoples
New South Wales (AU)	Indigenous Peoples, Disabled

New York State (US)	Minorities, Women
Niagara Region (CA)	TBD
Oregon (US)	Minorities, Women
Peterborough (CA)	TBD
Portland (US)	Minorities, Women, Indigenous Peoples, LGBTQ2+, Disabled, Veteran
Providence (US)	Minorities, Women
Queensland (AU)	Minorities, Women, Indigenous Peoples, Disabled
Regional Municipality of Wood Buffalo (CA)	Indigenous Peoples
Rhode Island (US)	Minorities, Women
Scotland (UK)	Minorities, Women, LGBTQ2+, Disabled
Seattle (US)	Minorities, Women
Squamish (CA)	Indigenous Peoples, Underrepresented, Disabled
Surrey (CA)	Minorities, Women, Indigenous Peoples, LGBTQ2+, Disabled, Veterans
Tallahassee-Leon County (US)	Minorities, Women
Toronto (CA)	Minorities, Women, Indigenous Peoples, LGBTQ2+, Disabled
Vancouver (CA)	Women, Indigenous Peoples, LGBTQ2+, Disabled
Victoria (AU)	Women
Washington State (US)	Minorities, Women, Veterans
Winnipeg (CA)	TBD
Wisconsin (US)	Minorities, Women, Veteran

3) Method of Eligibility Certification

Social procurement policies that accord a preference to vendors associated with specified equity groups need to establish which vendors are eligible for the preference.³ Some public sector organizations rely on third party certifications to establish a vendor’s eligibility, while others internalize the process of determining eligibility (Table 4). Eligibility tests are particularly relevant when business ownership is the key metric for determining whether a business is eligible for the benefits of the social procurement policy.

“Delegated” methods of certification rely on a third party to determine if a business is owned and controlled by a designated equity group.

A “Non-Delegated” model is managed by the particular public sector authority. Most commonly, this procedure asks applicants to submit a form which attests that ownership and control of the business rests with a member or members of a relevant equity group.

Some jurisdictions did not clearly articulate their method of certification in their provided documents. In these cases, “N/A” has been given.

Table 4: Method of Determining Vendor Eligibility

Definitions

Delegated	Policies which allow for the certification of a business to be facilitated primarily by a third party.
Non-Delegated	Policies in which certification of businesses is handled directly by a government affiliated agency or department.
N/A	Policies which do not clearly articulate their method of certification.
TBD	To be determined or not clear.

Jurisdiction	Method of Eligibility Certification
Baltimore (US)	Non-Delegated
Boston (US)	Non-Delegated
Brampton (CA)	Delegated
Calgary (CA)	Delegated
Charlotte (US)	Non-Delegated
Chicago (US)	TBD
Cumberland (CA)	N/A
Edmonton (CA)	Delegated
England (UK)	N/A

³ For clarity, the term “preference” is used in a broad sense that may or may not imply competitive advantage. Some policies may have set asides for equity groups. Other policies may award points for a vendor being from a specified equity group. Other policies may accord no particular advantage but require that purchasing managers solicit tenders or proposals from at least one vendor from a designated equity group. Still other policies may only provide customized training to vendors from equity groups on how to submit a tender or proposal.

Halifax (CA)	Non-Delegated
Hartford (US)	Non-Delegated
Indiana (US)	Non-Delegated
Kingston (CA)	TBD
Manchester (UK)	N/A
Massachusetts (US)	Non-Delegated and Delegated
Missouri (US)	Non-Delegated
Montpelier (US)	Non-Delegated
Nanaimo (CA)	TBD
New Orleans (US)	Non-Delegated
New South Wales (AU)	Non-Delegated
New York State (US)	Non-Delegated
Niagara Region (CA)	TBD
Oregon (US)	Non-Delegated
Peterborough (CA)	TBD
Portland (US)	Non-Delegated
Providence (US)	Non-Delegated
Queensland (AU)	Non-Delegated and Delegated
Regional Municipality of Wood Buffalo (CA)	TBD
Rhode Island (US)	Non-Delegated
Scotland (UK)	N/A
Seattle (US)	Non-Delegated
Squamish (CA)	Delegated
Surrey (CA)	Delegated
Tallahassee-Leon County (US)	Non-Delegated
Toronto (CA)	Delegated
Vancouver (CA)	Delegated
Victoria (AU)	Delegated
Washington State (US)	Non-Delegated
Winnipeg (CA)	TBD
Wisconsin (US)	Non-Delegated

Among the policies surveyed, 8 used a delegated model, 19 used non-delegated models, 2 used a combination of delegated and non-delegated models, 4 did not clearly describe their policies, and 7 had policies which had yet to be determined.

Non-delegated methods of confirmation are more common in the United States while delegated methods are more common in Canada. Jurisdictions in the US often have dedicated departments to which submissions can be made for verification.

The need for external verification of ownership is not a concern in a assignment team model of social procurement. To the extent that a assignment team model of social procurement would require verification efforts, they would best be achieved by a combination of delegated monitoring by the businesses engaged in the work and audits by the jurisdiction which has contracted the business.

4) Scope of Application

Social procurement policies can apply to all procurements or to a subset of procurements. The subset may be defined by either the dollar value of the procurement (a “threshold policy”) or by particular characteristics of the procurement (e.g., a construction-related procurement). Supplier Diversity Programs are often associated with a threshold policy. Community Benefits Agreements/Policies are mostly associated with construction-related procurement.

The most common stipulation among the policies surveyed is that a social procurement policy is only applied below a particular dollar value. The most commonly cited reason for this approach is to comply with the non-discrimination requirements of trade agreements.

Some jurisdictions do not set out an explicit scope of application in their social procurement policy. Instead, these jurisdictions embed social procurement criteria or processes in their overall procurement policy. In these circumstances, the policies may confer discretion on the purchasing manager, but may also direct the purchasing manager to engage in outreach, education, training, or other activities throughout the procurement process. Process-based conditions are often paired with aspirational goals for increasing the share of procurements awarded to vendors from equity groups. Process-based requirements are quite varied. Table 5 refers to such policies generically as “embedded in the procurement process”.

Some jurisdictions use different social procurement provisions for different groups defined by the policies. For example, New South Wales, Australia applies a threshold of below \$3 million for procurement from qualified small businesses, but a threshold of below \$250,000 for procurement preferences for Aboriginal businesses.

Table 5: Scope of Application

	Definitions
Embedded in Procurement Process	A policy in which social procurement considerations are facilitated mainly throughout the procurement process rather than through specific, strict provisions.
TBD	To be determined

Jurisdiction	Conditions
Baltimore (US)	Embedded in Process
Boston (US)	Procurement under \$50,000
Brampton (CA)	Invitational procurement between \$25,000 and \$100,000
Calgary (CA)	Goods and services above \$75,000 Construction above \$200,000
Charlotte (US)	Embedded in Process

Chicago (US)	TBD
Cumberland (CA)	Embedded in Process
Edmonton (CA)	Embedded in Process
England (UK)	Embedded in Process
Halifax (CA)	A Social Procurement lens will be applied to all procurement activity, regardless of value, and, social benefit requirements will be included in contracts valued at \$1,250,000 or above where the project is found, via a mandatory review/assessment process, to be a good social benefit delivery vehicle.
Hartford (US)	Embedded in Process
Indiana (US)	Procurements less than \$75,000
Kingston (CA)	TBD
Manchester (UK)	Embedded in Process
Massachusetts (US)	Embedded in Process
Missouri (US)	Embedded in Process
Montpelier (US)	Embedded in Process
Nanaimo (CA)	TBD
New Orleans (US)	Embedded in Process
New South Wales (AU)	Procurement up to \$250,000
New York State (US)	Embedded in Process
Niagara Region (CA)	TBD
Oregon (US)	Embedded in Process
Peterborough (CA)	TBD
Portland (US)	Embedded in Process
Providence (US)	Embedded in Process
Queensland (AU)	Embedded in Process
Regional Municipality of Wood Buffalo (CA)	Goods and services between \$10,000 and \$75,000 Construction procurement between \$10,000 and \$200,000
Rhode Island (US)	Informal construction contracts below \$10,000 Professional Services less than \$5,000 Contracts under \$100,000 issued as multi-year MPA agreements.
Scotland (UK)	Embedded in Process
Seattle (US)	Embedded in Process
Squamish (CA)	Embedded in Process
Surrey (CA)	Embedded in Process
Tallahassee-Leon County (US)	Embedded in Process
Toronto (CA)	Procurement between \$3,000 and \$50,000
Vancouver (CA)	Embedded in Process
Victoria (AU)	<u>Differ by expenditure band</u> <u>Lower band:</u> Regional: \$1,000,000 to \$20,000,000 Metro or State-wide: \$3,000,000 to \$20,000,000 <u>Middle band:</u> \$20,000,000 to \$50,000,000

	Upper band: Over \$50,000,000
Washington State (US)	Embedded in Process
Winnipeg (CA)	TBD
Wisconsin (US)	Embedded in Process

Process-based policies are by far the most common method for determining the scope of application of social procurement policies. Among the policies surveyed, 24 were process-based with regards to procurement from equity groups, 6 were TBD, and 10 clearly defined the thresholds below which social procurement considerations would be considered.

5) Method of Implementation

Many social procurement policies explicitly define the methods by which they intend to achieve their goals. These methods can vary significantly. There is no broad trend that can be characterized as a consensus.

The most common methods of implementation include (Table 6):

- Quotas/Set Asides: Policies which place specific requirements on procurement to hire or solicit bids from a specific number of equity groups before going forward with a project.
- Weighting: Policies which assign a percentage value to equity group status and use it as one of the criteria necessary to calculate the most optimal bid for a project.
- Embedded in Process: Policies which embed supplier diversity into the procurement process in ways that are not explicitly methods of implementation.

Some policies use more than one method.

“Embedded in Process” also includes set asides in which a particular percentage of the work must be done by diverse businesses.

It should be noted that process-based implementations are not necessarily the least aggressive implementation. Many process-based implementations leave supplier diversity considerations to be made on a project-by-project basis but do not necessarily define what steps must be taken in any given project to achieve their goals. It is therefore possible that a process-based implementation may be more stringent on some projects but less so on others.

Table 6: Method of Implementation

Definitions	
Embedded in Process	A policy in which social procurement considerations are process-based, e.g., requiring outreach, requiring at least one bid from an equity group vendor, or offering training to equity group vendors, etc.
Quota	A policy in which social procurement considerations are implemented through quotas or set asides for vendors from specific equity groups.
Weighting	A policy in which social procurement considerations are implemented by awarding points in a competition to a vendor that meets the eligibility criteria for being a diverse vendor.
TBD	To be determined.

Jurisdiction	Primary Method of Implementation
Baltimore (US)	Embedded in Process
Boston (US)	Quota
Brampton (CA)	Quota
Calgary (CA)	Embedded in Process
Charlotte (US)	Embedded in Process
Chicago (US)	TBD
Cumberland (CA)	Weighting
Edmonton (CA)	Embedded in Process
England (UK)	Weighting
Halifax (CA)	Embedded in Process
Hartford (US)	Embedded in Process
Indiana (US)	Weighting
Kingston (CA)	TBD
Manchester (UK)	Weighting
Massachusetts (US)	Embedded in Process
Missouri (US)	Embedded in Process
Montpelier (US)	Embedded in Process
Nanaimo (CA)	TBD
New Orleans (US)	Embedded in Process
New South Wales (AU)	Embedded in Process
New York State (US)	Embedded in Process
Niagara Region (CA)	TBD
Oregon (US)	Embedded in Process
Peterborough (CA)	TBD
Portland (US)	Embedded in Process
Providence (US)	Embedded in Process
Queensland (AU)	Embedded in Process
Regional Municipality of Wood Buffalo (CA)	Quota
Rhode Island (US)	Quota
Scotland (UK)	Embedded in Process
Seattle (US)	Embedded in Process
Squamish (CA)	Weighting

Surrey (CA)	Quota
Tallahassee-Leon County (US)	Embedded in Process
Toronto (CA)	Quota
Vancouver (CA)	Embedded in Process
Victoria (AU)	Quota
Washington State (US)	Embedded in Process
Winnipeg (CA)	TBD
Wisconsin (US)	Weighting

Among the policies surveyed, 21 embedded their social procurement process in their policies, 7 used a quota/set aside system, 6 used weighting systems, and 6 were TBD.

6) Ownership vs. Assignment Team

A large majority of the jurisdictions surveyed define a diverse supplier based on an ownership and control test. Ownership tests typically require that a majority of the equity in a business be owned by members of the designated equity group. These policies may also include additional requirements to establish that effective managerial control of the business is also exercised by members of the designated equity group.

Ownership-based models are not well suited to the procurement of professional services. Some professional service firms are investor owned. These firms trade on stock exchanges. Other professional service firms are owned solely by their partners. Employees in these firms typically rise through ranks that may be designated as associates, principals, and partners. In some cases, a new partner finances their equity purchase in the firm using their own resources. In other cases, the firm lends the new partner the financing for the equity stake. Some firms may extend the opportunity to equity ownership to a broader set of their employees, often allowing the equity stake to be financed through payroll deduction. It is the norm for professional service firms to hold out the potential of a career with the firm leading to an equity stake and partnership. Firms that do not offer this prospect risk losing talented staff to firms that do offer the potential for an equity stake and partnership.

The uniqueness of the ownership system in professional services firms does not align well with the ownership tests used by supplier diversity programs. A firm may initially meet the ownership test, but if the business grows, then the firm is likely to evolve beyond the ownership envisioned by a supplier diversity program.

An alternative to the ownership-based model is the assignment team model. In the assignment team model, the focus is on who is actually carrying out the assignment. Typically, a professional service firm that tenders or proposes for an assignment must identify its proposed assignment team, describe their experience and qualifications, and indicate their roles in the assignment. The purchaser may also require a vendor to indicate the budgeted time for each member of the team and billing rate for those individuals. For professional services, a focus on the composition of the assignment team is more appropriate than a focus on ownership of the firm.

A professional service firm's diversity policy and program are also highly relevant. This shifts the focus from asking "what is the current profile of the firm's professional work force" to "what is the firm doing to foster greater diversity in its professional work force".

Among the policies surveyed only two jurisdictions used an assignment team model: Victoria, Australia and Surrey, British Columbia.

Summary

The jurisdictional scan presented in this report suggests several conclusions that are relevant to using public procurement policy to support increased diversity in the procurement of professional services.

- (1) There is a significant trend, especially at the municipal level, to incorporate social procurement principles into procurement policy. This suggests an openness to new policies that align with the diversity goals found in many social procurement policies.
- (2) Supplier Diversity Programs are a widely implemented type of social procurement policy. In the main, however, the eligibility of a vendor for the preferences or supports provided by the Supplier Diversity Program, is tied to ownership and control of the business. This link to ownership and control aligns poorly with the ownership models that predominate in professional services and in engineering services in particular. In the main, as currently designed, Supplier Diversity Programs are not relevant to the procurement of professional services.
- (3) Many Supplier Diversity Programs have a scope of application that restricts the application of the social procurement policy to procurements below a specified threshold.
- (4) While some social procurement policies apply across-the-board to all procurement, it is a common practice to delegate discretion to the purchasing authority to determine whether a particular purchase should be subject to social procurement requirements and, if so, how. In general, the more complex the procurement, the more likely a policy is to delegate discretion to the purchasing manager.
- (5) Some social procurement policies use weighting procedures to confer points on a vendor for meeting certain social procurement criteria. These criteria may encompass the composition of the firm's workforce, the composition of the proposed assignment team, and/or policies and programs in place to support and foster diversity. In principle, this opens the way to drawing on current best practices and supporting their broader adoption.

- (6) While some jurisdictions prefer to make their own determination on whether a vendor is diverse or has adequate diversity policies and programs in place, other jurisdictions prefer to rely on third party certifications.

Implications for Next Steps

As mentioned, the purpose of this project is to explore the potential to use public procurement policy to advance diversity goals in the procurement of engineering services and, in particular, to support increased career opportunities for women in consulting engineering and in the engineering profession. The jurisdiction scan suggests several questions for consideration when interviewing stakeholders in the consulting engineering sector, public sector procurement specialists, and experts in the field of public procurement. Among these questions are the following:

- (1) What are the current best practices in the consulting engineering sector and how could procurement policy support the broader adoption of these best practices?
- (2) In promoting increased career opportunities for women in consulting engineering, what is the relative importance of the composition of an assignment team on a particular project versus the overall policies and practices of the engineering firm?
- (3) Given the complexity of procuring professional services, procurement policy will need to delegate discretion to purchasing managers. How can discretion be delegated in a way that still preserves the intent of using procurement policy to advance diversity goals in the procurement of engineering services?
- (4) Should we be looking at a policy framework applicable to professional services, in general, or should we be looking more specifically at a framework that is only for engineering services?
- (5) How would a policy framework deal with a situation in which an engineering firm is a sub-contractor rather than a prime contractor?
- (6) Is there a role for third party certification similar to the quality certifications that already operate in some aspects of professional services? If so, what might that look like?

These questions form the basis for further research for this project so that engineering companies will be encouraged to embrace more diversity in their workforce, especially women.





**JURISDICTIONAL SCAN OF
SOCIAL PROCUREMENT PROVISIONS
IN PUBLIC PROCUREMENT POLICIES**



**ONTARIO
SOCIETY OF
PROFESSIONAL
ENGINEERS**

CONTACT US

Ontario Society of Professional Engineers
4950 Yonge Street, Suite 502
Toronto, Ontario M2N 6K1
1-866-763-1654

www.ospe.on.ca

