

Re: City of London Procurement Process Assessment Review

Dear Mayor Holder and Members of City Council,

The Inclusive Economy London and Region team is writing to you regarding the recent report and request for direction for the **City of London Procurement Assessment Review** conducted by Ernst & Young LLP (EY). The item is on the council agenda for December 7th, 2021.

[Inclusive Economy London and Region](#) has been doing several projects that pertain to procurement processes of public institutions in London. Our goal in this work is to participate in transforming the procurement process across public institutions to deeply embed social, economic, and environmental dimensions in all purchasing. This approach is called social procurement and has been gaining traction across Ontario municipalities. For example, in October [Ottawa city council moved](#) forward policies for social procurement as part of their covid recovery strategy. The [City of Toronto has done similar](#) work embedding social procurement in Supply and Purchasing policies over the past few years.

We are writing this letter to encourage council and staff to consider ways of incorporating social procurement as part of a broader vision for our City's Purchasing and Supply team. Any new funding for Supply and Purchasing should have aspects of this integrated. This will support the LCRN mandates and also create a more prosperous future for SMEs and social enterprises in the region.

**The EY report does not mention the social or environmental impact of procurement decisions as an important aspect of creating value for Londoners.**

This is most visible on slide 13 of the presentation from E&Y where the *Sourcing Wheel with Value Levers* outlines areas to create value for purchasers and suppliers. As presented, the Value Levers are devoid of social and environmental impacts across the broader community. While chasing the lowest bid might be in alignment for profit driven organizations, we believe that embedding social procurement values into Purchasing and Supply align more closely with the mission and mandate of City Hall as a public institution with a broad mandate of community wellbeing. In order to rebuild our economy we need our public institutions to see their economic power through mission aligned procurement as an important part of the systemic solution.

Our concern is that the approach outlined in the E&Y report will define the core strategy of the municipality's procurement decisions going forward. While there are many valuable insights outlined in that report, **our position is that any movement forward or new funding for Purchasing a Supply should include a mandate to create value in the city by embedding strong social procurement practices.**



We believe that Londoners will receive more value from a procurement strategy that creates opportunities for local businesses and social enterprises and that incentivizes vendors to have local employment and environmental programs built within their business.

The Inclusive Economy London and Region team is here to help with these approaches going forward. We have recently launched a Community Benefits Network to help with industry readiness in these areas and are actively working across public anchor institutions to explore opportunities for increasing the social, economic, and environmental impact of procurement decisions across the region.

The E&Y report recommends that the City "Develop a comprehensive set of performance metrics to measure and communicate overall value delivered by the Group". We ask that members of our team can be part of future discussions in this important area.

Sincerely,

Inclusive Economy London and Region team  
Community Benefits Network facilitation team  
London Environmental Network

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Michelle Quinyn, Goodwill Industries  
Michelle Baldwin, Community Foundations of Canada  
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**\*Contact Michael Courey for any questions or follow up on this item.  
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