

Social Procurement Framework

In November 2023, Council directed staff to establish a Social Procurement Framework in partnership with the Ottawa Sports and Entertainment Group (OSEG), specifically tailored to the Lansdowne 2.0 project ([Report ACS2023-PRE-GEN-0009](#)). The motion directed City staff to develop a Social Procurement Framework consisting of three parts: the construction phase of Lansdowne 2.0, OSEG's hiring practices for employment at the Stadium and Event Centre, and the leasing of the retail spaces.

In April of 2024, Council approved the initial phases of the Social Procurement Framework ([ACS2024-PIE-GEN0002](#)), which included a phased approach to the development of the Framework and prioritization of the construction phase as the most complex and time-sensitive. This report details staff's approach to the construction phase. Work on the Social Procurement Framework respecting OSEG employment practices and the leasing of retail spaces will commence in 2026 once the construction phase of the project is operationalized. Progress will be reported to Council in future iterations of the Annual Lansdowne Report.

The Lansdowne 2.0 project provides a timely and valuable opportunity to pilot social procurement in a major capital project. City staff are proceeding with a structured, data-driven, and collaborative approach that emphasizes experimentation, learning, and capacity-building.

This pilot will establish a foundation for embedding social value into public infrastructure investments, ensuring that major projects not only deliver high-quality public amenities, but also support local businesses, diverse suppliers, and inclusive economic development.

Following best practices established by the cities of Vancouver and Toronto, the pilot will explore mechanisms through which the City can incentivize the proposed general contractor to incorporate social procurement into the project and build readiness among Ottawa's construction industry, community marketplace, and staff. This initiative aligns with Council's broader strategic objectives, including inclusive economic development, diversifying the City's supply chain, and building resilient communities. It also aligns with Council's July 2024 motion to explore the development of a Community Benefits Framework ([ACS2024-OCC-GEN-0014](#)).

Guiding Principles

The construction phase of the Social Procurement Framework prioritizes the following outcomes:

- Training and employment opportunities for Indigenous people and members of equity-denied groups;
- Improving supply chain diversity (i.e. spend with social impact businesses)
- Local procurement

Based on best practices and lessons learned from other jurisdictions, the following guiding principles were established. For the purpose of this pilot project, these principles inform the project team's approach to the development of the social procurement framework.

1. Build bridges between industry and community: The local construction industry and the City's extensive network of community groups and non-profit organizations bring expertise in different areas that will be combined in the social procurement framework for the first time in Ottawa.
2. Ottawa-based solutions: Social procurement is place-based and community-specific, so while staff are informed by the best practices and lessons learned from other jurisdictions, the ultimate format of the framework will be heavily influenced by the Ottawa context.
3. Collaborative approach: The social procurement framework prioritizes a collaborative approach to social procurement decision-making, where the general contractor is supported by staff to identify and implement social procurement on a "best efforts" basis, and reports back on the successes and challenges of doing so in a manner that informs future projects.
4. Industry input essential: The proposed general contractor is the subject matter expert in labour, services, and materials supply chains. Incorporating social procurement into those supply chains effectively remains the responsibility of the proposed general contractor.
5. Data collection: To mitigate the risk of social procurement becoming a constraint to the project, the framework establishes a collaborative model that supports and incentivizes the proposed general contractor to incorporate social procurement into the project. This approach will allow staff to test the contractual mechanisms associated with the framework and establish baseline data without compromising project budget, schedule or quality.
6. Defined outcomes and terminology: Lessons learned from other jurisdictions

indicate that properly defining social procurement outcomes and associated terminology is essential to the success of a social procurement framework. For example, the definition of “local” must be clear and easily ascertained throughout the contractor’s supply chains.

7. Look beyond construction: Construction projects such as Lansdowne 2.0 create construction jobs but also generate a wide variety of training and employment opportunities in fields ancillary to the construction work itself. The Framework ensures the construction-adjacent supply chains are considered.
8. Complementary to project needs: Effective social procurement aligns the needs of the project with the needs of the community.

Pre-Construction

In the April 2024 report (Lansdowne Partnership Plan - Lansdowne 2.0 Procurement Options Analysis and Recommendations), staff detailed the pre-construction work it would undertake in preparation for the proposed construction contract: Establishing a Social Procurement Working Group, Defining Outcomes, and Assessing Market Capacity. This work is now complete.

Establishing a Social Procurement Working Group

The Social Procurement Advisory Group established as a part of the 2021 Social Procurement report ([ACS2021-ICS-PRO-0003](#)) has been repurposed to support the Lansdowne 2.0 Social Procurement Working Group. It consists of representatives from Economic Development, Employment and Social Services, Community Safety and Well-being, Integrated Neighbourhood Services, Indigenous Relations and the Gender and Race Equity teams. The working group will continue to advise the project team on strategic direction and accountability on the development and execution of the Social Procurement Framework. Additionally, subject to Council approval of the contract, the group will expand to include members of the project team, the general contractor and relevant subcontractors, and its mandate will expand to allow the general contractor to leverage staff’s expertise in community impact to achieve the social procurement outcomes.

Defining Outcomes

As described in the April 2024 Lansdowne report, definitions must be “measurable, verifiable and support the administration of a monitoring and evaluation framework”. Based on best practices from the cities of Vancouver and Toronto and the expertise of the working group, a comprehensive list of definitions and outcomes has been finalized and incorporated into the contract specifications for the recommended construction

contract.

Assessing Market Capacity

In the April 2024 report, staff identified a need to develop a deeper understanding of the qualitative and quantitative capacities of the community-driven market to support the social procurement objectives of the project. Following the best practices of Vancouver and Toronto, a consultant was engaged to assess market capacity, support market readiness, and support the development of specific outcomes.

Buy Social Canada was engaged to conduct a community market capacity study with a view to identifying the capacities of Ottawa's community-driven suppliers who provide goods and services to the public and have a social mission, and/or have workforce development programs that target equity-deserving residents who face economic disadvantage.

Buy Social Canada is a national social enterprise whose mission is to shift how goods and services are bought in the marketplace through social procurement consulting, education and advocacy.

Buy Social conducted a survey of over four hundred contacts in the Ottawa community from the non-profit sector and other social impact businesses. The resulting report is informed by the survey results and a series of engagement sessions with prominent local community organizations, the project team and OSEG. It is also informed by Buy Social Canada's experience implementing social procurement as the consultant supporting the construction of St. Paul's Hospital complex in Vancouver, the first project undertaken under the City's of Vancouver's Community Benefit Agreement Policy. Buy Social Canada's report includes recommendations to both the City and the contractor, and a directory of social impact businesses. Buy Social Canada's report concluded that local procurement capacity is strong in Ottawa, with many construction-related small and medium-sized businesses headquartered in the area. Conversely, the existing construction-related market capacity for both social impact businesses and workforce development programs supporting members of equity-denied groups is still developing and is unlikely to contribute to the project at scale. Report recommendations including proactive outreach and early identification of low-dollar value opportunities have been incorporated into the proposed construction contract.

Throughout this pilot, the City is collecting data and exploring the feasibility and impact of embedding social objectives into large, complex supply chains. This includes working closely with contractors, subcontractors, community partners, and industry experts to identify practical and measurable opportunities, without compromising quality or project delivery standards.

Construction Contract

In alignment with the guiding principles, the objective of the Social Procurement Framework for the construction phase of the project is to track, identify opportunities and evaluate the general contractor's achievement of the following Social Procurement Outcomes:

1. **Training and Employment:** In consultation and partnership with community partner groups and the City, make new jobs and training opportunities available to Indigenous People and members of equity-denied groups, or community organizations that support training and employment opportunities for Indigenous People and members equity-denied groups.
2. **Spend with Social Impact Businesses:** In consultation and partnership with community partner groups and the City, procure material goods and services from Social Impact Businesses, which include Indigenous-owned businesses, diverse-owned business and social enterprises.
3. **Local Procurement:** To procure materials, goods and services from businesses with its headquarters or main office located in the City of Ottawa. These may or may not also be Social Impact Businesses.

To support its achievement of the Social Procurement Outcomes, the contract includes the following Social Procurement Requirements. The proposed General Contractor is required to:

1. Retain the services of a pre-qualified social procurement facilitator;
2. Demonstrate best efforts to identify and explore opportunities to achieve the Social Procurement Outcomes, which includes requiring best efforts of relevant subcontractors to do the same;
3. Utilize reporting tools provided by the City to anticipate social procurement opportunities and collect data respecting the Social Procurement Outcomes;
4. Attend and require its subcontractors to attend Working Group meetings for the purpose of operationalizing the framework;
5. Produce an annual report to the City, consisting of both quantitative data showing its achievement against the outcomes and qualitative assessments of each opportunity outlining what worked well and lessons learned.

A "Best efforts" standard is well-established practice in social procurement, as it promotes collaboration between parties and allows the proposed general contractor to

balance social procurement priorities with other project priorities, namely, budget, schedule and quality.

City Council will be kept informed through regular project updates, including formal reporting on social procurement outcomes and lessons learned. Staff remain committed to transparency, accountability, and aligning this work with Council's strategic priorities for a more inclusive and prosperous city.