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## **CONTRACT RESEARCH OPPORTUNITY**

### **Scaling the Adoption of Toronto-Based AI Solutions Through Public and Private Procurement Pathways**

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#### **Purpose**

Despite Toronto's reputation as a global hub for artificial intelligence (AI) research and innovation, the commercialization and adoption of locally developed AI solutions—particularly through public and private procurement channels—remains uneven. Many early-stage and growth-stage AI firms, especially those founded by immigrants and equity-deserving entrepreneurs, face systemic barriers in navigating procurement processes that are often risk-averse and not designed for emerging technologies.

A 2023 Startup Genome report ranked Toronto among the top 20 global AI ecosystems, yet highlighted challenges in scaling AI solutions beyond the pilot stage. Meanwhile, government and enterprise buyers cite concerns about compliance, scalability, and ethical risks when procuring AI tools. These dynamics create a critical gap between supply (local AI talent and solutions) and demand (institutional willingness and capacity to adopt AI), slowing down innovation adoption and economic impact.

This research aims to address that gap by providing actionable insights into how procurement pathways can be modernized to support inclusive innovation while advancing Toronto's competitive advantage in the AI economy. It seeks to examine how public and private procurement can serve as a catalyst for accelerating the adoption of artificial intelligence (AI) solutions developed in Toronto. It will assess the current barriers that local AI firms face in accessing procurement pathways, evaluate opportunities across different sectors, and identify strategic actions that can be taken at the municipal, provincial, and federal levels to facilitate adoption. The findings will support evidence-based decision-making and guide coordinated efforts to grow Toronto's AI sector and broader innovation economy.

Questions to be probed include the following:

1. How are procurement opportunities for AI technologies currently structured across municipal, provincial, federal, and private sector levels?
2. What challenges do AI firms face in becoming procurement-ready and achieving adoption, and how do these differ for immigrant-founded and women-led companies?
3. What lessons from other jurisdictions can guide Toronto in developing inclusive procurement models that integrate immigration and EDI goals?
4. What intergovernmental policy and program levers can be deployed to strengthen procurement pathways while ensuring equitable access for newcomer and diverse-led firms?
5. How can procurement strategies embed responsible, ethical, and inclusive AI practices while advancing immigrant integration, women's participation, and diversity in Toronto's innovation economy?

## Background

This project is being commissioned by the Intergovernmental Committee for Economic and Labour Force Development in collaboration with the City of Toronto Economic Development and Culture Division's Business Growth Services unit.

The Intergovernmental Committee for Economic and Labour Force Development strives to build bridges between the supply and demand sides of labour force development, ultimately informing the delivery of effective labour force and economic development policies and programs. More information about the Committee and its work is provided below as well as at <https://www.icecommittee.org>

The City of Toronto has long operated a multi-pronged strategy to support entrepreneurship development and business incubation, with a strong focus on inclusive innovation and continuous program improvement. Over the past several years, the City has commissioned and supported multiple research studies and program evaluations to better understand and strengthen Toronto's incubation and commercialization ecosystem.

This project builds on that foundation by (a) exploring the specific needs of technology-sector incubators and accelerators, and (b) assessing how well existing supports meet the needs of entrepreneurs from under-represented groups, including newcomers, women, and racialized founders. This is particularly relevant in the context of AI adoption, where commercialization pathways such as public and private procurement remain underdeveloped for early-stage firms.

Relevant reports and information resources include:

- [A City of Entrepreneurs: Building a Supply Chain of Innovation](#), June 2021 – Prepared by the Innovation Economy Council in partnership with MaRS
- [Business Incubation and Commercialization Program 2.0 – Research Summary Report](#), December 2021 – Prepared by Code for Canada
- [Directory of Incubators and Accelerators](#) – Maintained by the City of Toronto and regularly updated to reflect the evolving innovation ecosystem
- [Business Incubation & Commercialization Grant Program](#) – A City of Toronto initiative to support incubators and accelerators, most recently updated in 2023 to expand eligibility for equity-deserving and newcomer-led organizations
- [Enabling Success for Toronto Ventures](#), March 2025 – Prepared by the Intergovernmental Committee for Economic and Labour Force Development in partnership with the City of Toronto

## Scope of Work

The specific responsibilities and key activities of the successful proponent will include:

- **Develop a research-based project work plan** outlining methodology, literature review, and stakeholder engagement, ensuring the report is grounded in academic rigor and evidence-based analysis.
- **Conduct a comprehensive literature and best practices review** of procurement models, with attention to both successful and unsuccessful approaches in other jurisdictions, identifying why certain models or practices did not work and what lessons can be applied to Toronto.
- **Engage stakeholders on both sides of the procurement relationship:**
  - AI tech firms, including immigrant-founded companies (Start-up Visa Program, soft-landing initiatives), women-led AI firms, and diverse-led startups.

- Procurement officers at municipal, provincial, federal, and private-sector levels, to capture their pressure points, parameters, and decision-making criteria in working with AI companies (e.g., risk, compliance, scalability, and ethical considerations).
- **Analyze systemic challenges and opportunities:**
  - For AI firms: barriers to becoming procurement-ready, navigating complex systems, and competing with larger vendors.
  - For procurement officers: operational constraints, regulatory frameworks, and pressures to balance cost, innovation, and risk.
- **Integrate an economic development perspective** by assessing how inclusive procurement policies can enhance Toronto's competitiveness, attract international talent, and strengthen the local AI cluster through immigrant and women entrepreneurs.
- **Highlight comparative best practices and gaps** by examining intergovernmental and international procurement models that successfully advanced innovation adoption, while also showcasing where policies or programs fell short.
- **Provide actionable recommendations** for policy, programmatic, and institutional reforms that:
  - Embed equity, diversity, and inclusion (EDI).
  - Support immigrant and newcomer-founded firms in scaling
  - Enable procurement officers to adopt AI solutions responsibly and efficiently.
  - Strengthen Toronto's role as a global AI and innovation hub.

## **Deliverables**

The deliverables for this project will include:

1. **Detailed Project Work Plan:** Including research methodology, stakeholder consultation design, and academic framing to ensure rigor and objectivity
2. **Comprehensive Final Report:** A research-driven document suitable for public release, including:
  - Mapping of procurement pathways across levels of government and private sector.
  - Comparative analysis of international procurement models — highlighting both successful practices and business models that failed, with insights into why they did not work.
  - Integrated perspectives from AI tech firms (including immigrant-founded and women-led companies) and procurement officers (highlighting their pain points, constraints, and parameters for working with AI firms).
  - Policy, programmatic, and institutional recommendations aligned with Toronto's economic development objectives, talent strategy, and EDI commitments.
3. **Dual-Perspective Framework:** A structured analysis that contrasts the experiences of AI firms with the operational realities of procurement officers, identifying areas of alignment, gaps, and opportunities for systemic reform. This can be included as part of the Comprehensive Final Report.
4. **Executive Summary:** A user-friendly overview highlighting key findings, actionable recommendations, and implications for economic development and innovation adoption.
5. **Presentation of Findings:** Delivery of results at two Intergovernmental Committee for Economic and Labour Force Development Committee meetings (midway check-in and final findings), with an emphasis on practical applications for policymakers, procurement professionals, and innovation stakeholders.

6. **Launch Event Participation:** Engagement in a public-facing event (in-person) to share findings with ecosystem stakeholders and strengthen knowledge mobilization. The presentation date to be confirmed but anticipated to occur in May or June 2026.

## **Budget**

The maximum budget for this contract research project is **\$25,600** including applicable taxes.

## **Timeline**

The anticipated project timeline start date is November 3, 2025, with a draft report due in early March 2026 and a final report due March 23, 2026. The successful applicant(s) will need to be available for the launch event of the report, which will take place after completion of the report.

## **Application Process**

To apply, email a three- to four-page submission to [info@icecommittee.org](mailto:info@icecommittee.org) with the subject line “Contract – “Scaling the Adoption of Toronto-Based AI Solutions Through Public and Private Procurement Pathways”.

Your submission should:

- Outline your approach to the scope of work and how you propose to carry out the work related to this project.
- Demonstrate you/your team’s requisite experience
- Provide an overview of your capacity to carry out the project in the allotted timeframe, including your ability to do the required research.
- In addition to the three- to five-page submission, include a short resume or CV for each team member.

### **Application deadline: 12:00 PM on Friday, October 3, 2025**

We will accept joint applications from groups of individuals or organizations. We encourage applications from current graduate students and graduates with relevant degrees. Credentials and professional experience earned either in Canada or internationally will be recognized. Preference will be given to organizations/individuals with leaders self-identifying as Indigenous, Black, and equity-deserving led organizations, leaders, and individuals, including women, newcomers, and immigrants.

Selection schedule (subject to change):

- All applicants will be notified of the receipt of their submission. If you do not receive acknowledgement of receipt within 24 hours, please check back to ensure receipt.
- Short-listed candidates may be interviewed. It is anticipated that interviews will take place by video conference during the second half of October.
- It is anticipated that the project contract will be awarded by November 3, 2025.
- The project start date will be in early November 2025.

## **Evaluation Criteria**

Written submissions will be evaluated based on:

- Research team’s general credentials and experience in delivering projects on time and on budget,
- Research team’s project-relevant experience and knowledge,
- Approach to completing scope of work and deliverables,

- Quality of written proposal, and
- Price will be a consideration amongst teams who score well on the other evaluation factors.

## **About the Intergovernmental Committee for Economic and Labour Force Development**

The Intergovernmental Committee for Economic and Labour Force Development was established in 1997 by officials in the Government of Canada, the Province of Ontario, and the City of Toronto. The purpose of the committee is to coordinate the economic and labour force development activities of the three governments (and the various departments and ministries within each government) in Toronto.

The Committee's functions include commissioning and publishing research that can inform policy and program understanding and coherence in the areas of economic and labour force development in Toronto. It is in that context that the current Request for Proposals is issued.

The goal of the Committee is to achieve the effective delivery of economic and labour force development programs in Toronto. It has played a key role in bringing together critical players to share information on their respective programs and projects. For more information about Intergovernmental Committee for Economic and Labour Force Development, please visit [www.icecommittee.org](http://www.icecommittee.org).