

Social Procurement:

Maximizing Your Community Impact
From Existing Purchasing

Canadian Institute for Procurement
& Material Management

June 7, 2017

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Agenda

Social Procurement

What

Why

How



What is Social Purchasing: Leveraging a social value from existing purchasing...



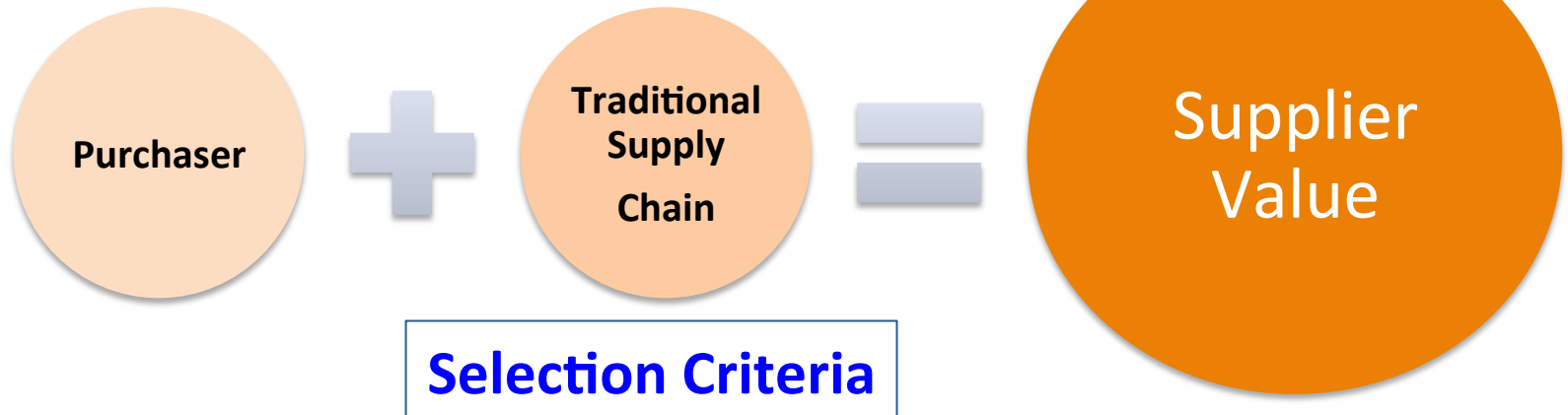
Traditional Purchasing Model

Product Quality
Lowest Price
Risk Aversion



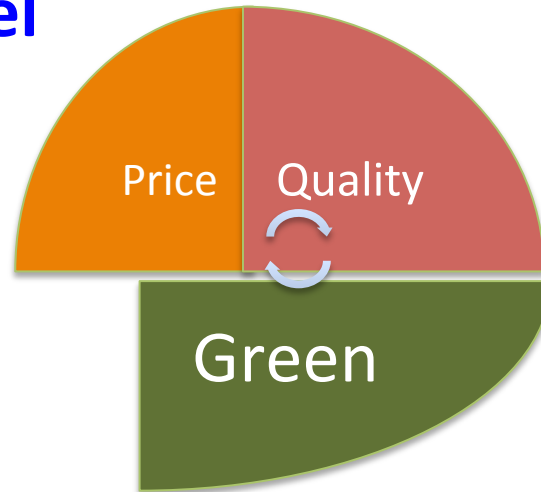
Traditional Purchasing Model

**Demand for
Products & Services**





Traditional Model



Trend from 1980



Emerging Trend



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Social Procurement Process

“Encouraging a shift towards procurement based on achieving multiple outcomes in addition to maximizing financial value.”

Social Procurement and New Public Governance:
Barraket et al, 2016



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Social Purchasing Model

**Same Demand for
Products & Services**

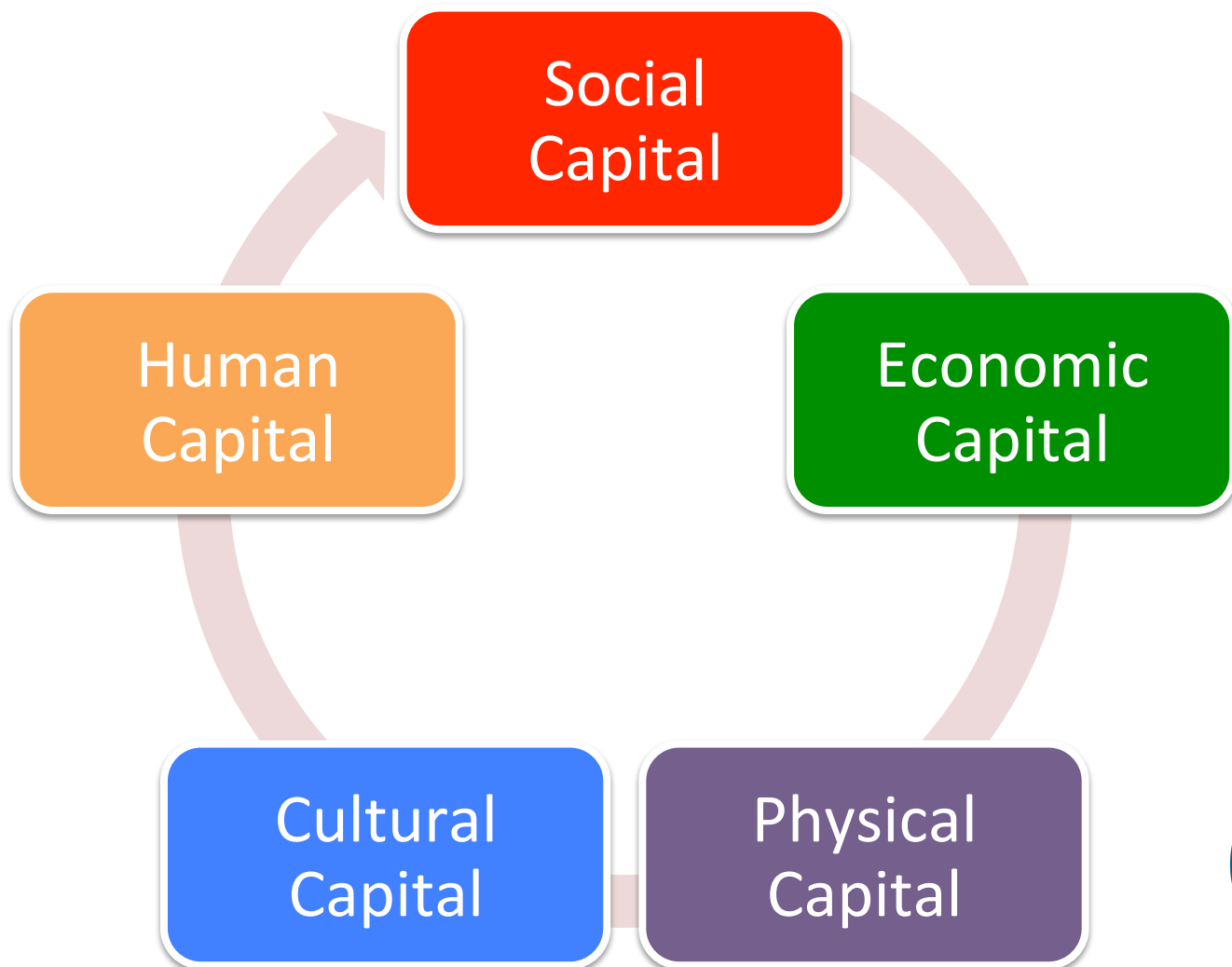


WHY

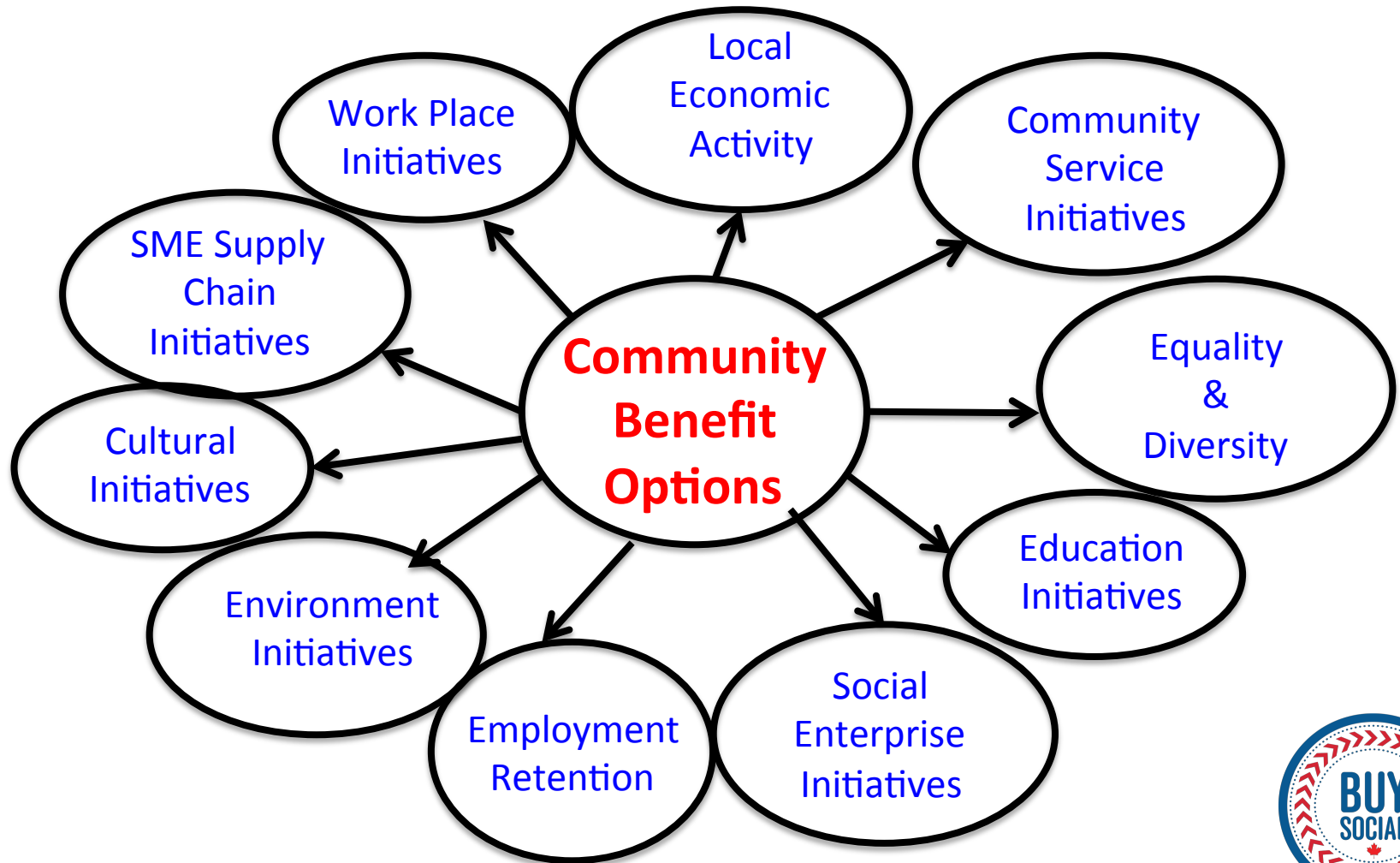


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Shared Goal: Creating Healthy Communities



Social Purchasing Can Generate Intentional Community Benefits



Examples of Impact

Social Purchasing

CleanStart – including a social value criteria in an RFP and in the bid evaluation led to a social enterprise that employs persons with barriers winning the contract and increasing their hiring of targeted employees

Community Benefit Agreement

EMBERS – adding a community benefit agreements unto an infrastructure contract meant a social enterprise day labour sub-contractor experienced significant business growth

Social Innovation in Purchasing

AKI Energy – a Manitoba Hydro loan program for energy conversions allows a social enterprise to create jobs, food security, and energy cost savings on First Nations Reserves



Social Procurement Contributes to Building Healthy Communities



HOW



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Social Purchasing Process For Goods & Services



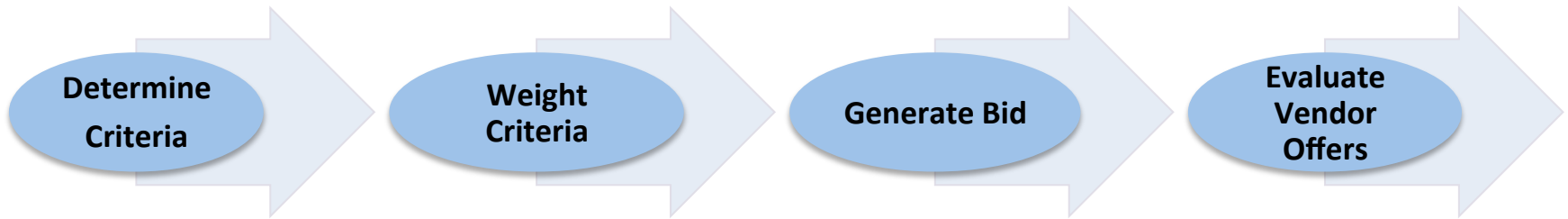
Determine the Potential Social Value Goals

Early on in the process, based upon this specific product or service to be purchased, determine the potential Community Benefit Goals

Potential Community Benefit Goals	Include in this Purchase?
Local Economic Development	
Employment Opportunities	
Local Purchasing	
Social Enterprise Suppliers	
Skills Training / Apprenticeships	
Environmental Impacts	
Other	



Social Purchasing Process



Determine Criteria:

Quality
Price
Social

Environment

Weight
Criteria
for this
Purchase

Generate
Bid
Documents

Evaluate
Vendor
Proposals
Against
Criteria



How

Community Benefit Agreements



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Community Benefits Agreements

CBA's are agreements between government, developers, and community to maximize project goals and community benefits from infrastructure investments.



Examples of Community Benefit Agreement Social Impacts

Targeted Employment Objectives

i.e. Training, Apprenticeships, Persons with Barriers

Targeted Purchasing Requirements

i.e. Social Enterprises, Local

Meeting Community Service Needs

i.e. Day Care, Cultural Programs



Community Benefit Agreement Process

- **Capacity Building for Staff, Community, Suppliers**
 - Learning
 - Relationships between Community, Purchasers & Suppliers
 - Early stage engagement and planning
- **Clarify Objectives through Stakeholder Engagements**
 - Employment, Training, Apprenticeship, Economic Multiplier, Social Enterprises, Cultural, Supply Chain, other
- **Integrate Social Criteria into Bid Documents and Contract Negotiation**
 - Construction Phase
 - Operations & Occupancy Phase
- **Measure Outcomes & Impacts**
 - Across financial and Social Objectives
 - Engage Community Partners & Stakeholders



Canadian Social Purchasing Implementation Examples

- BC Government **Social Impact Purchasing Guidelines**
- BC Housing **RFP's award value** for sustainable, Aboriginal and social enterprise businesses
- Toronto **Supplier Diversity Policy**
- Manitoba Hydro environmental upgrades through **user repayment loans**
- Fort McMurray use of **Buy Social policy** in post fire re-build
- PARQ Casino **Community Benefit Agreement**, Vancouver



“...enabling procurers and those who commission procurement has been the single most important enabler – or barrier – for innovation procurement.”

Policy instruments for public procurement of innovation: Choice, design and assessment by L Georghiou



Some of the 'cultural' barriers that need addressing

Chill of trade agreements

Solution: Understand the limits, thresholds, exemptions and the 'work arounds'

Current reward system for purchasers is 'budget' focused

Solution: Leadership must encourage a community impact reward system

Silos within governments and programs

Solution: Implement multiple stakeholder engagement toward common goals



Emerging Paradigm: A Culture of Social Procurement

Past



Future



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Buy Social Canada promotes and facilitates leveraging a social value from purchasing...

www.buysocialcanada.com



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Key Programs Services:

- **Certification of Social Enterprises**
- **Certification of Buy Social Purchasers**
- **Learning & Resources for Purchasers & Suppliers**
- **Relationship and Collaboration Workshops**
- **Workshops, Webinars, and Training Materials**
- **Consulting on Policy, Process & Evaluation**
- **Social Purchasing Decision Platform Software**

Buy Social Canada is a Community Contribution Company Social Enterprise

**When we focus on ‘best value for money’
procurement is much more than
an economic transaction...**

**Social procurement becomes a means to
build healthy communities...**



Social procurement maximizes your social impact from existing purchasing



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Thank You!
www.buysocialcanada.com

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