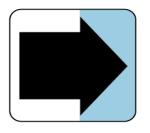
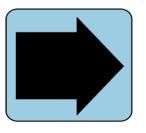
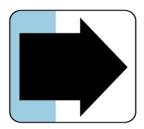


February 24, 2021









Canadian Institute for Procurement and Materiel Management Institut canadien d'approvisionnement et de gestion du materiel

WEBINAR AGENDA

What & Why of Social Procurement

Social Procurement in Government

Mandate Letter

Policy Statements

Practice & Pilots

Implementation Process

Resources & Tools



Social Procurement leverages a social value from existing procurement

Our Communities Face Multiple Complex Challenges:

Social Economic Environmental COVID-19 Recovery

- Local Economic Disruption
- Youth Dis-Engagement
- Social Isolation
- Employment Challenges
- Skills Gaps
- Historic and Systemic Racism









Canada's Federal Government Purchases

\$20 Billion In goods and services annually

\$200 Billion
Over the next ten years in infrastructure

- Building Maintenance and Cleaning
- Professional Services
- Food Services

- **Translation**
- Office Supplies
- Repairs & Construction
- Landscaping *Etc.*

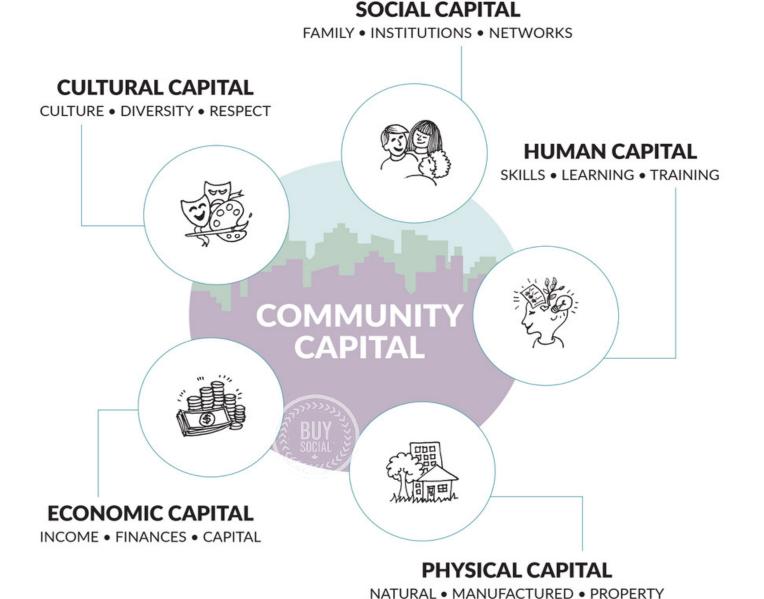


Social Procurement seeks Best Value

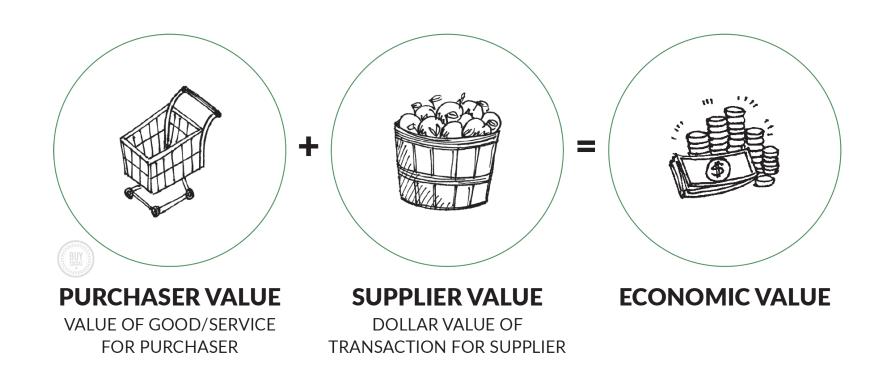
When we focus on 'best value for money' procurement is much more than a financial transaction;

Procurement becomes a tool for building healthy communities.

'Best Value for Money' considers more than economic transactions, it creates Community Capital



What is Procurement?

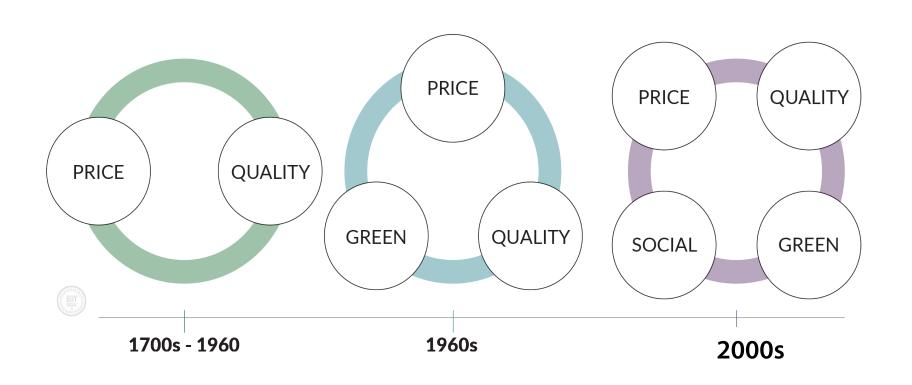


What is Social Procurement?

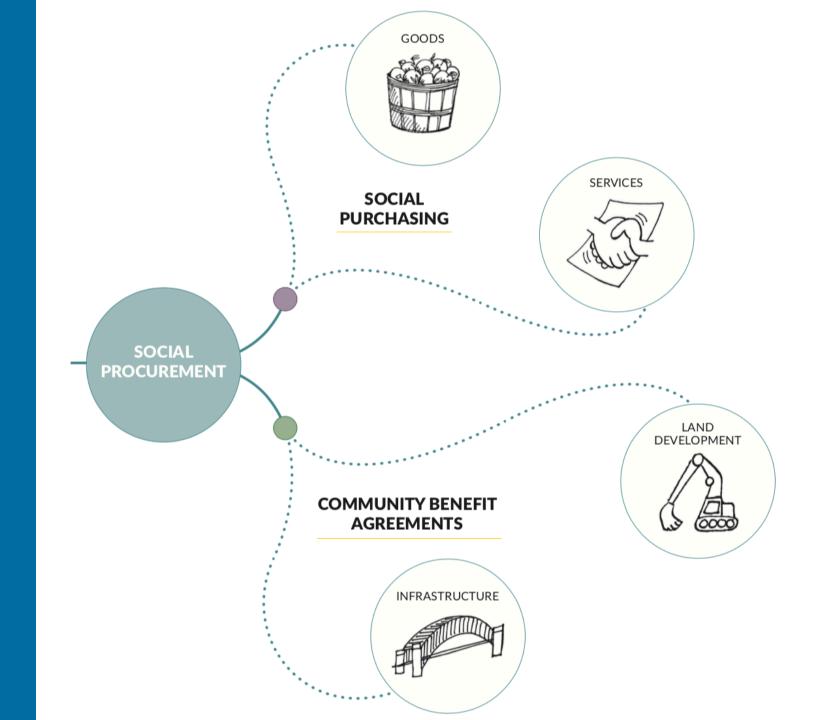


Adding a social value to existing purchasing

Evolution of Procurement



Social Procurement has two primary pathways



Social Procurement & Trade Agreements

The trade agreements apply and require parameters for language and actions:

- ✓ Procurement process cannot restrict competition
- Procurement process can require and weight social value outcomes
- ✓ Trade agreements have exceptions for contracting with non-profits, prison labour and other special cases
- ✓ Trade agreements have financial thresholds you can work within

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Social Procurement in Government

MANDATE

POLICY

PILOT

PRACTICE

> MANDATE

"Work with the President of the **Treasury Board to** develop governmentwide initiatives tolncrease the diversity of bidders on government contracts, including

- Small businesses and businesses led by
- Indigenous Peoples,
- Black and racialized Canadians,
- Women,
- LGBTQ2 Canadians,
- and other underrepresented groups"

As the largest public buyer of goods and services, the Government of Canada can use its purchasing power for the greater good.

"We are using our purchasing power to contribute to socio-economic benefits for Canadians, increase competition in our procurements and foster innovation in Canada."



4.1 Contract policy requirements

4.1.4 Where applicable, bid evaluation criteria <u>must</u> be established to address socio-economic factors in relation to the total cost of a contract before bids are solicited, and solicitation documents must give notice that socio-economic factors will be used to assess bids when they are received.

Public Services Procurement Canada



- Opportunities for underrepresented groups
- Supporting participation of small and medium enterprises in federal procurement
- Opportunities for Indigenous businesses
- Ethical Procurement

This policy sets the direction for the planning and management of assets and acquired services to

• Ensure that these activities provide value for money and demonstrate sound stewardship in program delivery

In it, the policy asserts that

opportunities to advance government socio-economic and environmental objectives, such as accessibility and reducing greenhouse gas emissions.



Community Benefits in Infrastructure

APPLICATION: Infrastructure projects receiving funding under the Investing in Canada Infrastructure Program.

OBJECTIVE: Sustained economic growth; building stronger, more inclusive communities; and creating meaningful jobs for more Canadians: Through Employment and/or procurement opportunities for targeted groupgarce:

Employment and procurement opportunities for at least three out of the eight following targeted groups:

- Apprentices
- ✓ Indigenous Peoples
- Women
- Persons with disabilities
- ✓ Veterans
- ✓ Youth
- Recent Immigrants
- ✓ Small-sized, medium-sized and social enterprises

> PILOT

May 2018 - ESDC Social Procurement

Two-year Pilot Policy

- ✓ Encourages employees to "Consider contracting with social enterprises for catering services under the low-value threshold of \$10,000"
- ✓ Identified four social enterprise caterers Krackers Katering, Tableworks Catering, FoodWorks, Gourmet Xpress
- Providing employment and support to individuals with mental illness, vulnerable and handicapped persons, adults with developmental disabilities, and at-risk youth.

> PILOT

August 2019- PSPC Temporary Help Service (THS) contracts in the NCR.

- As part of the THS qualification process, suppliers were able to self-identify as one of the under-represented groups using a self-attestation form.
- ✓ These suppliers included businesses that are 51% owned or led by underrepresented groups (women, persons with disabilities and visible minorities), as well as Indigenous Peoples.
- ✓ With this new supply arrangement, each bidder's list will consist of at least 33% suppliers from the under-represented groups and Indigenous businesses.

> PRACTICE

Interim Federal Health Program B8304-180008/B

Claims Processing Services

RFQ Criteria Scoring Includes Social Value Criteria

RFQ Scoring Template

Corporate Experience = 300
Resourcing & Staffing = 400
Risk Management = 700
Technical Approach = 900
Start-up Phase = 1000
Operations and Maintenance = 1500
Claims Processing = 2130

Value Proposition Plan = 700
Socio-Economic (Ownership)
Socio-Economic (Participation)

Demonstration Criteria = pass/fail Total Maximum Score = 7000

Pass Mark = 4200 Pass % = 60%

> PRACTICE

RFQ Criteria Scoring from Federal Government Program Management of Health Services Records

The VPP must, at a minimum, include the following

RFQ Scoring Template

- i. a detailed description of how the Contractor plans to achieve the annual VPP Transaction Value, as detailed in article 2 below;
- ii. a detailed description of how the Contractor plans to achieve the Direct and Indirect Benefits, as detailed in article 3 below; and
- iii. a corrective measures plan, in the event the Contractor does not achieve the VPP Transaction Value in any given year (once implemented). The corrective measures plan must detail how the Contractor will make up for a deficiency in the following year.

Where applicable, the Contractor must provide invoices, pay stubs, receipts, or any other documentation that provide evidence that a transaction was made in the amount demonstrated/claimed.

> PRACTICE

Federal Contractor's Program

Agreement to Implement Employment Equity Contractors who bid on an initial goods and services contract estimated at \$1 million or more (including applicable taxes) with the Government of Canada must first certify their commitment to implement employment equity by signing the Agreement to Implement **Employment Equity (LAB1168) prior to** contract award.



Municipal Social Procurement Trends

- Edmonton, Calgary, Toronto and emerging in Winnipeg, Halifax, Peterborough, Ottawa
- ✓ Coastal Communities Social Procurement
 Initiative 25 Vancouver Island and Coastal
 collaborating municipalities, regions, and anchor
 institution
- ✓ Vancouver Community Benefit Agreements Policy and Implementation Process
 - Curroy Community Employment Penefit

Policy Best Practice Example: Squamish, BC

The District will acquire goods, services and construction in a manner that is Open, Fair and Transparent.

The District is committed to developing and maintaining a social procurement culture that leverages our procurement activities to not only deliver best value but also achieve social value objectives.

This policy directs staff to conduct procurement in a manner that contributes to the development and diversification of the supply chain in a way that makes positive contributions to the local economy and the overall vibrancy of the community..."

Calgary Implementation Process

3 year Benefit Driven Procurement Implementation Strategy:

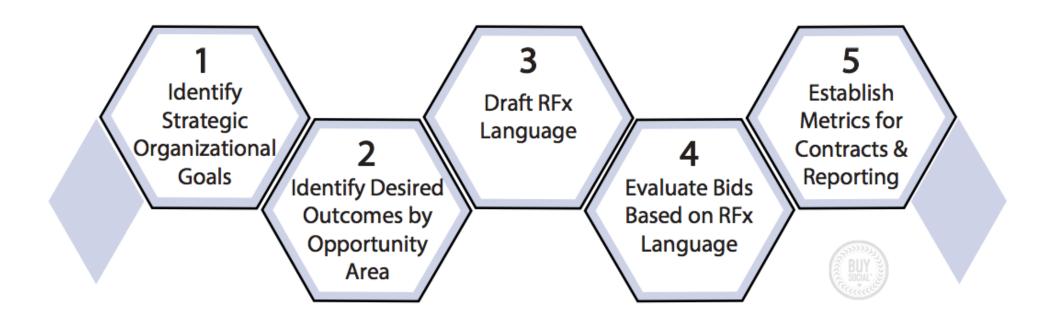
- **✓** Pilots
- Resources
- Multi-stakeholder engagement
- Metrics
- Regular reports to council
- Training



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Implementation Process

Five Steps to Guide the Social Procurement Process



1. Identify Strategic Organization al Goals Some examples of strategic departmental goals might be:

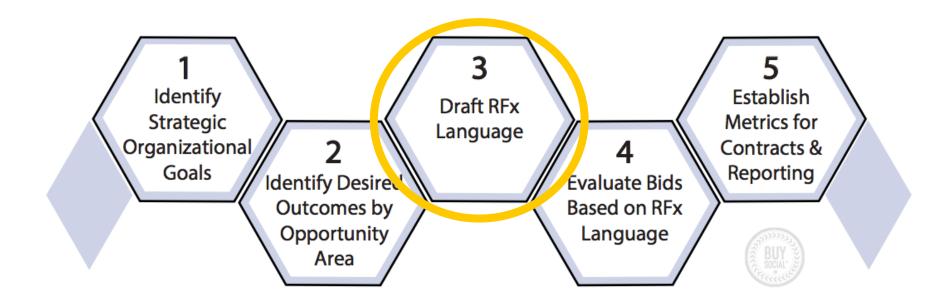
- Profile of suppliers: social enterprise, ownership, Indigenous, BIPOC, SME
- Creating diverse and meaningful employment opportunities that provide incomes that can support a high quality of life
- ✓ Supporting integration into the workforce for specific demographics such as newcomers, youth and people with disabilities

2. Identify
Desired
Outcomes by
Opportunity
Area

The four main social procurement opportunity areas are:

- Employment
- **✓** Skills & Training
- ✓ Social Value Supply Chain
- Community Development

Five Steps to Guide the Social Procurement Process



RFx language examples

Employment	Skills & Training	Social Value Supply Chain	Community Development
Describe how you currently recruit, retain and support employment of Indigenous Peoples. Describe how you will recruit, retain and support employment of Indigenous peoples in performance of the contract, and how you would monitor and measure this.	Describe how your organization provides training or access to training opportunities that would prepare barriered and/or targeted individuals to be employed to be engaged in performance of the contract, and how you would monitor and measure this.	Describe how your organization would ensure a diverse supply chain that is accessible to all types of businesses, including where appropriate SEs, NFPs, SMEs and diverse suppliers and how you would monitor and measure this.	Describe how your organization, through the performance of the contract, would support local community initiatives and priorities.
Provide the number of long- term, stable (full-time, no end- date) employment opportunities available to targeted groups in the performance of this contract (and beyond).	Describe how your organization current does or would engage with local schools and higher education institutions to design curriculums that prepare barriered and/or targeted individuals for employment in performance of the contract.	Describe how your organization would ensure a diverse supply chain that is accessible to all types of businesses owned by targeted groups and how you would monitor and measure this.	Describe how you will engage with and consult the local community before and for the lifespan of the contract. If applicable provide examples of previous experience with community engagement and consultation during projects.

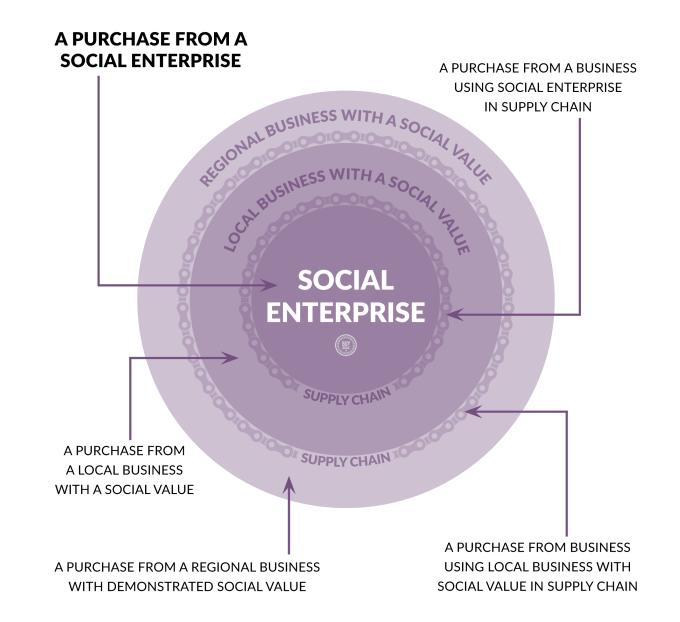
Examples of Certification and Listing Organizations

- Black Business Initiative
- **✓** Buy Social Canada
- ✓ Canada Aboriginal and Minority Supplier Council
- ✓ Canada's LGBQ+ Chamber of Commerce
- ✓ Covid-19 Indigenous Supplier Database
- ✓ Inclusive Workplace and Supply Council of Canada – Veterans & People with Disabilities
- **✓** Women Business Enterprises Canada
- ✓ B-Corps

Social Procurement Concentric Circle

Considering the primary contractor 'Best Value' through the

- 1) Contract award winner and
- 2) The supply chain and sub-contracting by the Tier 1 contractor



4. Evaluate
Bids Based
on RFx
Language

What weighting/percentage would you assign for social value in your scenario?

Evaluation and weighting

Example of social value of 15%

	Description	Weight
1.	Company Profile: Number of years in business (Minimum of 5 years), able to obtain & maintain insurances, company capacity, staff qualifications, safety, quality, environment, references, RCMP security clearance as required etc., meet requirements and specifications etc.	15%
2.	Project Experience: Similar project experience, qualifications, understanding of objectives, deficiencies etc.	30%
3.	Social Value: Supports strategic priorities, positive contributions to the local economy, employment opportunities, supply chain diversification, strengthening of the community, social responsibility initiatives, reporting capabilities, etc.	15%
4.	Proposal: Completeness, overall quality and level of detail submitted, value added services, etc.	15%
5.	Budget: Pricing structure for term of agreement, other fees, costs, etc.	25%

Social Value Weighting Examples

	Price	Quality	Environment	Social
Events Catering	20	30	30	20
Vehicles	35	35	20	10
Construction	30	35	15	20
Building Maintenance	20	30	20	30

Social Value Appendix Questionnaire Example:

Each question is scored and weighted based on social procurement goals

Are you a small or medium sized business? Yes or No

Are you a diverse owned or social purpose business? Yes or No

- > Are you self Identified:
- > Do you have 3rd Party Certification:

Do you have a diversity employment policy? Yes or No

Do you have an employee training or apprenticeship program? Yes or No Describe:

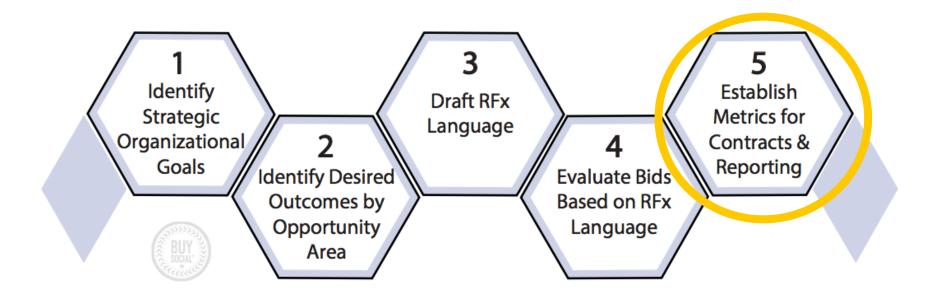
Do you pay a living wage for your region? Yes or No

Do you have a social procurement policy for your supply chain? Yes or No

Social Value Scoring Example

	Supplier A	Supplier B	Supplier C	Supplier D
Quality out of 100	75	70	75	82
Environmental out of 100	75	75	78	88
Social out of 100	55	78	85	90
Non-financial score out of 300	205	223	238	260
Price	\$138,000	\$139,000	\$129,000	\$138,000
True Value Cost (Price divided by Non-Financial Score)	\$673.17	\$623.31	\$542.50	\$530.76

Five Steps to Guide the Social Procurement Process



Measurable social value outcomes

- # of SEs or SMEs which have received contracts or subcontracts
- # of barriered or targeted individuals hired by the SEs or SMEs related to contracts
- **✓** Total \$ value of contracts awarded to SEs or SMEs
- # of suppliers which have employed barriered individuals
- # of apprentices hired through suppliers
- # of contracts awarded to Indigenous, Black or other diverse suppliers
- \$ value of local materials or services used in contracts
- ✓ Total # of hours provided for employment and skills training
- Other community benefits or contributions

Social Procurement Implementation Opportunities

Utilize trade agreement exceptions and thresholds

Utilize the trade agreement exceptions to purchase directly from non-profit organizations and make under threshold local purchases

Review your internal policy thresholds

Internal policy thresholds are often below trade agreement allowances.

This is a good time to review and potentially align

Unbundle larger contracts

Larger contracts can be unbundled to provide more opportunities for local businesses and SMEs

Require prime contractors to utilize social procurement with subcontractors

Require prime contractors to use local service providers for this work

Require community benefit outcomes on construction and infrastructure projects

Ensure that all major projects are providing additional benefits to local communities

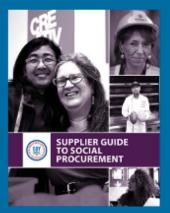
Identify and prepare for "shovel ready" projects

Funding will be available for community improvement projects that can create local employment

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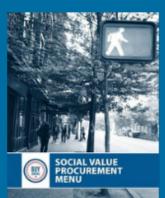
Resources & Tools

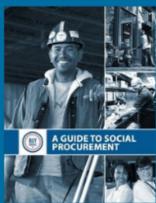












Tools and Resources:

- A Guide to Social Procurement
- Community Benefit Agreement Templates for Implementation
- Community Employment Benefit Templates for Implementation
- Social Value Menu for Goods and Services
- Guide to Social Procurement in Construction and Infrastructure Projects

https://www.buysocialcanada.com/documents-and-resources



About Buy Social Canada

We are a social enterprise with the mission to advance and grow social procurement.

We believe that the purchasing of goods and services are more than an economic transaction, they are the means to build community capital, the foundation of healthy, vibrant communities.

We are social procurement leaders and work with social value suppliers, all levels of government, institutions, businesses and communities to help harness the power of purchasing with impact.

www.buysocialcanada.com



BUY SOCIAL CANADA -

SYMPOSIUM 2021

Social Procurement Today and Tomorrow

Register today

Early Bird \$19 After March 19th \$29 Online

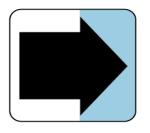
Monday, April 26, 2021 9am - 2pm PT / 12 - 5pm ET

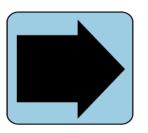
Register at www.buysocialcanada.com/symposium2021

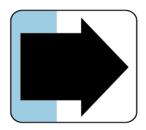


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