



# Social Procurement from Policy to Practice: Why, What and How



Canadian Institute for Procurement  
and Materiel Management

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# Agenda

**1**

**Why Social Procurement**

**2**

**What is Social Procurement**

**3**

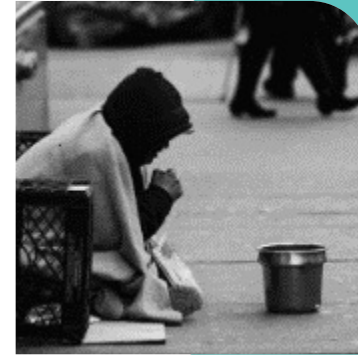
**How Social Procurement is Implemented**



# **Why Social Procurement?**

# Our communities face multiple complex challenges

- Social
- Economic
- Environmental
- Employment challenges
- Skills gaps
- Historic and systemic racism
- Local economic disruption
- Youth disengagement
- Social isolation





# Canada's Federal Government Purchases

- **\$23 Billion in goods and services annually**
  - Building Maintenance and Cleaning
  - Professional Services
  - Food Services
  - Translation
  - Office Supplies
  - Repairs & Construction
  - Landscaping Etc.
- **\$180 Billion over the next twelve years in infrastructure**



## Social Procurement Seeks Best Value

- Every purchase has an economic, environmental and social impact.
- When we focus on 'best value for money' procurement is much more than a financial transaction;
- Procurement becomes a tool for building healthy communities.

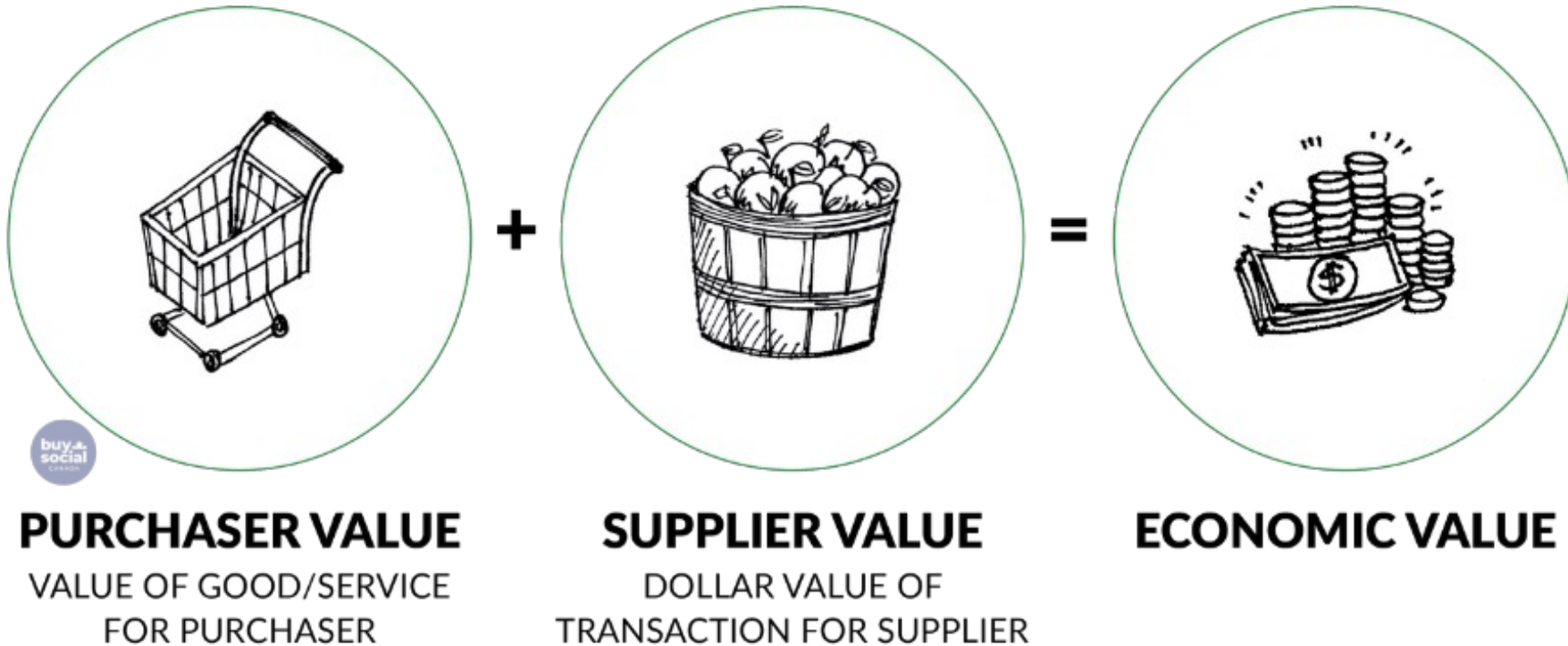
\*Photo: EcoEquitable, Certified Social Enterprise





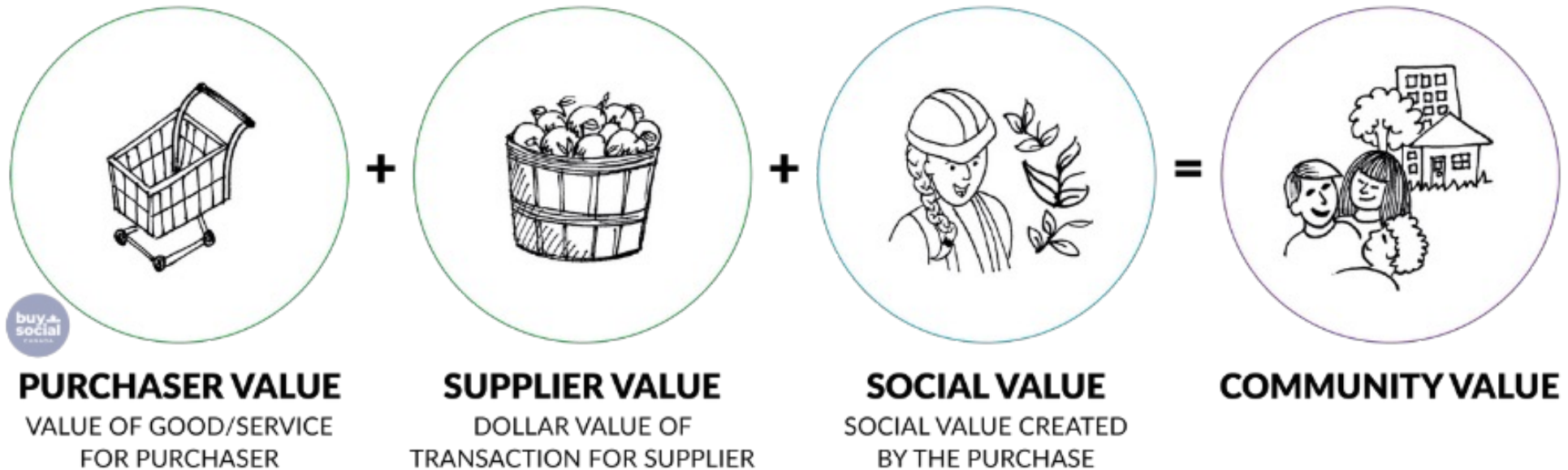
**Social procurement  
leverages a social  
value from existing  
procurement.**

# What is Procurement?

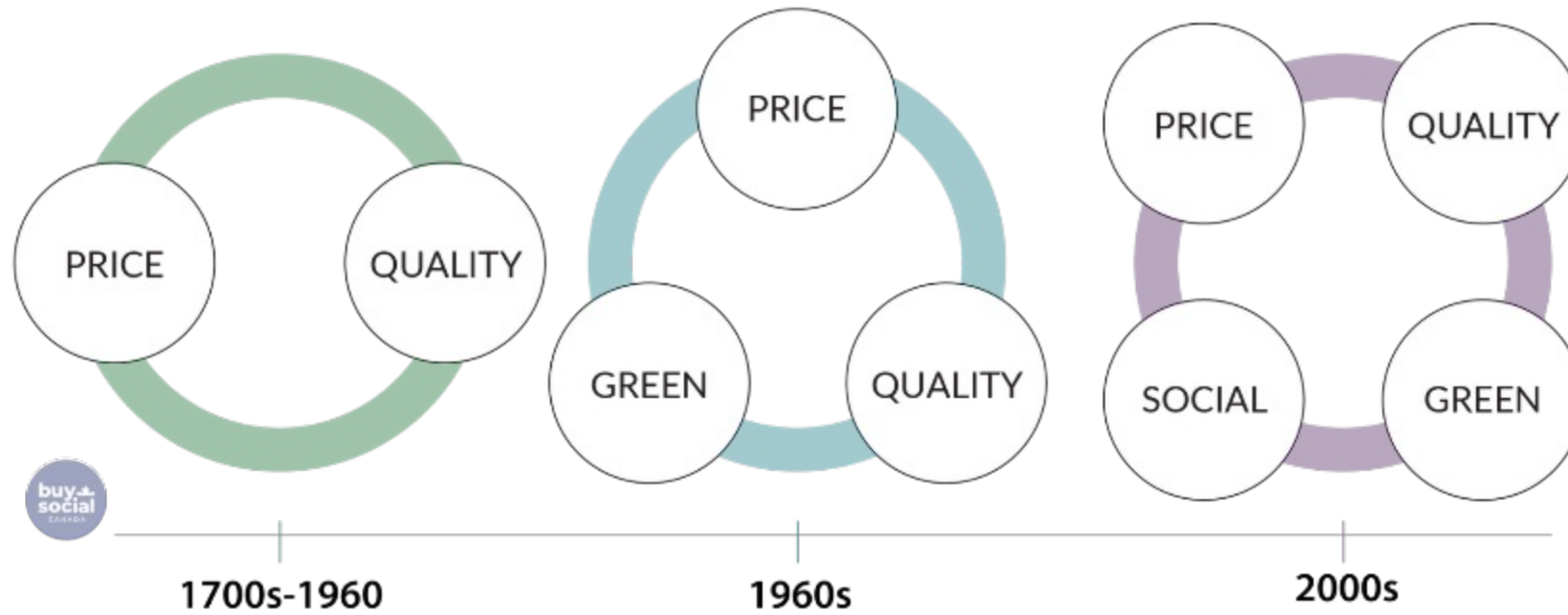




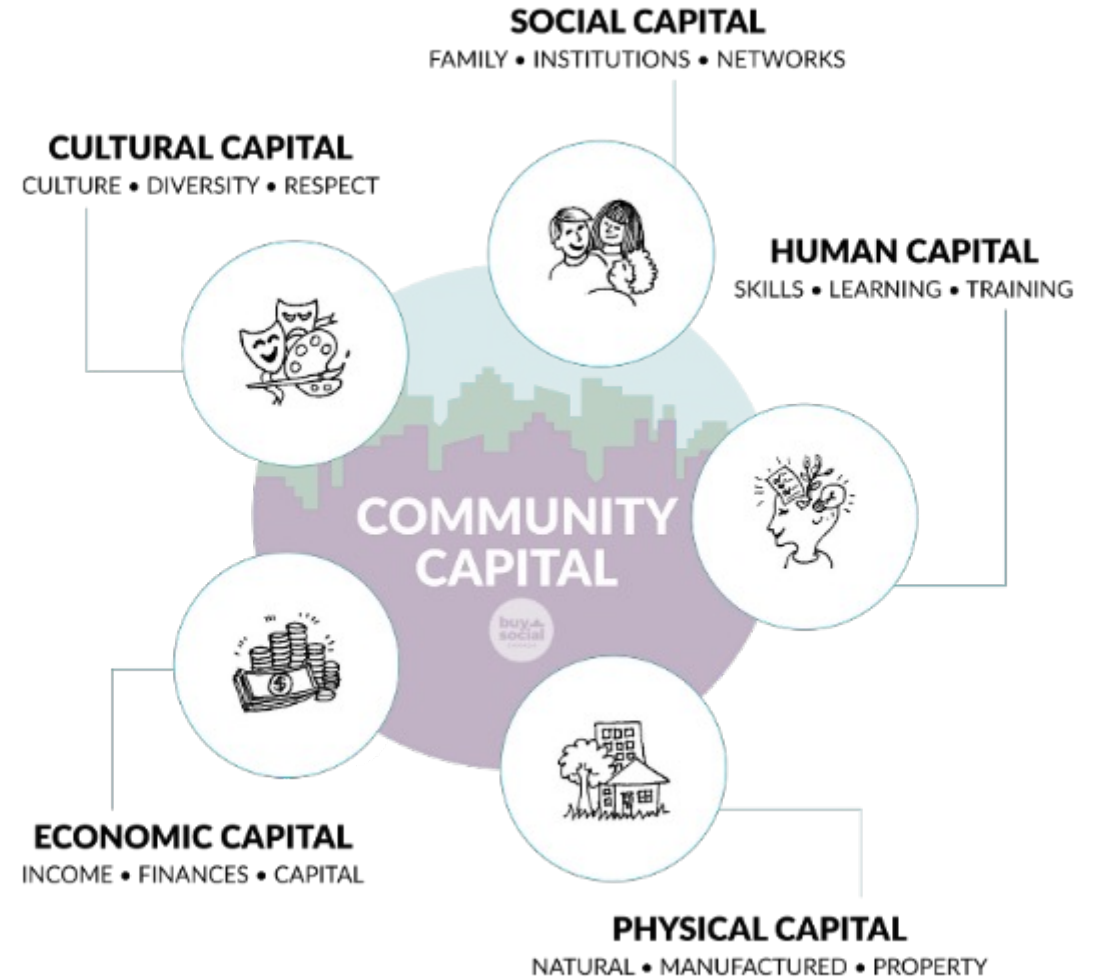
# Social Procurement adds Social Value



# Evolution of Procurement



**‘Best value for money’  
considers more than  
economic transactions,  
it creates Community  
Capital.**



## **PWGSC**

### **“Social Procurement Policy**

“...to enhance best value in procurement by providing a framework for the inclusion of socio-economic measures and objectives in procurement, thereby advancing the Government of Canada’s socio-economic policy goals.”

<https://www.tpsgc-pwgsc.gc.ca/app-acq/pas-posp-eng.html>

# Concentric Circle Considerations

A PURCHASE FROM A  
SOCIAL ENTERPRISE

A PURCHASE FROM A BUSINESS  
USING SOCIAL ENTERPRISE  
IN SUPPLY CHAIN

A PURCHASE FROM  
A LOCAL BUSINESS  
WITH A SOCIAL VALUE

A PURCHASE FROM A REGIONAL BUSINESS  
WITH DEMONSTRATED SOCIAL VALUE

A PURCHASE FROM BUSINESS  
USING LOCAL BUSINESS WITH  
SOCIAL VALUE IN SUPPLY CHAIN



# Social Value Outcomes

Examples of metrics for a construction project

- **# of social enterprises** who have received contracts
- **# of small- and medium sized enterprises** who have received contracts
- **# of employees** by equity-seeking target group
- **Total \$ value of contracts** awarded to SEs or SMEs
- **# of apprentices** hired through suppliers
- **# of contracts** awarded to First Nations or other diverse suppliers
- **\$ value of local materials** or services used in contracts





# **What is Social Procurement?**

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

**Professor Jo Barraket**

Director of the Centre for Social Impact  
Swinburne, Australia

# Emerging Across Canada



## Federal Government

- Policy and Procedures for Goods & Services - PSPC
- Community Employment Benefit Policy – Infrastructure Canada



## Municipalities

- Toronto, Brampton, Edmonton, Wood Buffalo, Vancouver, Surrey, Victoria, Tofino, Campbell River, Comox, Peterborough, Winnipeg, Calgary

# Emerging Across Canada



## Institutions

- BC Housing, Ottawa Housing, York University, OCAD, Tourism Vancouver, Explore Edmonton



## Corporations

- Chandos Construction, SAP, BIRD, Delnor, Clark Builders, J & J

## Myth

The quality is less with social procurement

## Fact

There is no evidence to support that claim

The weighting factors and percentages in an RFX are determined based on the needs of the buyer for the goods or services.

- **Quality/Technical**
- **Price**
- **Environment**
- **Social**

“There were no known cost implications associated with the social procurement concepts that were included in the RFP.”

**Scott Hainsworth**

Comox Valley Regional District  
Water Treatment Project, 2020

## **Myth**

Social procurement costs more

## **Fact**

There is no evidence to support that claim



## Myth

Trade Agreements don't allow social procurement

## Fact

Social procurement must adhere to trade agreement parameters

- **Open, Fair and Transparent**
- **Financial Threshold Options**
- **Exceptions for Non-Profits**
- **Indigenous Set Asides**

# Social Procurement Benefits

- Community impact
- Competitive edge
- Increased supplier options
- Unique skills training
- Improved productivity and efficiency
- Enhanced reputation both internally and externally
- Increased staff retention through satisfaction in workplace

# Stories from Certified Social Enterprises



## EMBERS

EMBERS staffing solution's mission is to create economic and employment opportunities for people living on low incomes.



## Eva's Print Shop

Eva's Print Shop is a commercial printer and social enterprise that provides print and graphic arts training and life skills to youth experiencing homelessness and barriers to accessing housing.

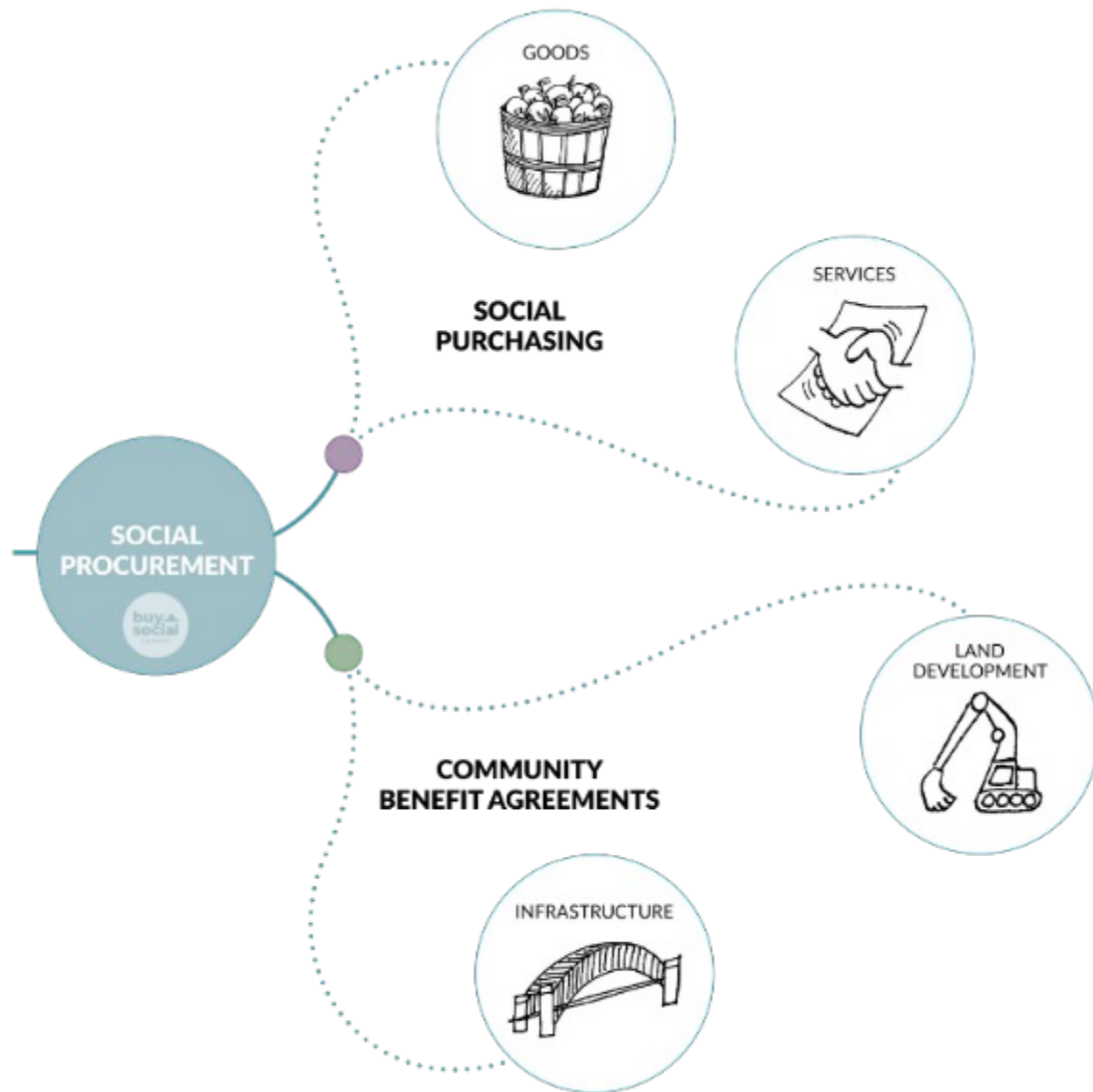


## Mission Possible

Mission Possible provides exterior maintenance, cleaning and graffiti removal across Metro Vancouver.



# **How Social Procurement is Implemented**



# Social Procurement Pathways

# **The implementation process is built on:**

- 1. Existing Mandates & Goals**
- 2. Social Value Opportunities**
- 3. Social Value Outcomes**
- 4. Procurement Tactics**
- 5. Reporting on Metrics**



# Social Procurement Strategy

Design  
Flow



Strategic Goals			
<ul style="list-style-type: none"><li>{Insert community strategic goals here}</li><li>{Insert community strategic goals here}</li><li>{Insert community strategic goals here}</li></ul>			
Four Key Social Procurement Opportunity Areas			
Employment	Skills and Training	Social Value in the Supply Chain	Community Development
Social Value Objectives			
<ul style="list-style-type: none"><li>{Insert here}</li></ul>	<ul style="list-style-type: none"><li>{Insert here}</li></ul>	<ul style="list-style-type: none"><li>{Insert here}</li></ul>	<ul style="list-style-type: none"><li>{Insert here}</li></ul>
Social Procurement Tactics			
<ul style="list-style-type: none"><li>Below threshold purchasing</li><li>Social Value RfX Questionnaire</li><li>Community Benefit Agreements</li><li>{Additional tactics}</li></ul>			
Reporting Metrics			
<ul style="list-style-type: none"><li>{Insert here}</li></ul>	<ul style="list-style-type: none"><li>{Insert here}</li></ul>	<ul style="list-style-type: none"><li>{Insert here}</li></ul>	<ul style="list-style-type: none"><li>{Insert here}</li></ul>

Feedback



CITY POLICY



**REFERENCE:**

City Council - February 3, 2010

POLICY NUMBER: C556A

**ADOPTED BY:**

City Council December 10, 2019

**SUPERSEDES:**  
C556

**PREPARED BY:** Financial and Corporate Services

**DATE:** December 2, 2019

**TITLE: Sustainable Procurement**

**Policy Statement:**

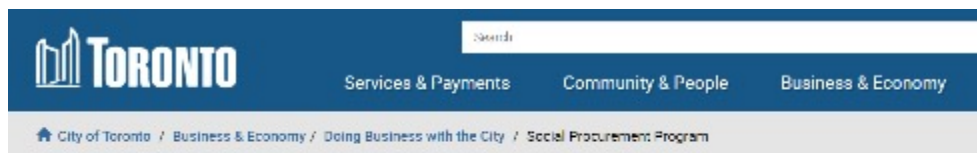
The City of Edmonton recognizes that every purchase can be leveraged to create economic, environmental and social impacts. The Sustainable Procurement Policy provides a framework for City of Edmonton purchasing activities in order to create intentional positive environmental, social and economic impacts while maintaining open, fair and transparent procurement processes.

- **Social Value Considerations**

The City of Edmonton will implement social value considerations for existing purchasing opportunities, provided any such social value considerations are consistent with the City's obligations under applicable trade agreements. Social value considerations will address social and economic issues that are descriptive in social impact outcomes related to employment, training and skills development, social value supply chain, and community development.

**Policy Scope:**

This policy applies to the procurement of goods, services, construction, and intellectual property rights by all departments reporting to the City Manager and the Office of the City Auditor.



## Purpose and Policy Statement

To embed supply chain diversity and workforce development initiatives within the City's Procurement Processes to drive inclusive economic growth.

## General Principles

This policy will conform to the following principles

- Addresses economic disadvantage, discrimination, and barriers to equal opportunity, particularly among equity-seeking communities, that disproportionately experience unemployment and underemployment, discrimination, or barriers to equal opportunity;
- Adheres to the highest standards of ethical conduct and maintains consistency with other City of Toronto policies and procedures;
- Works to build a culture of social procurement;
- Establishes an effective balance between accountability, transparency and efficiency;
- Complies with all applicable laws (including trade agreement implementing legislation), regulations, by-laws, policies, including the Ontario Human Rights Code, the Ontario College of Trades and Apprenticeship Act, and any collective agreements which imposes obligations on the City or its suppliers;
- Achieves best value for the City of Toronto through the consideration of the full range of procurement formats and the adoption of commercially reasonable business practices.

POLICY NAME:	<b>Procurement Policy</b>		
APPROVING AUTHORITY:	<input checked="" type="checkbox"/> Legislative (Council approved) <input type="checkbox"/> Administrative (CAO approved)		
ISSUED BY:	Financial Services	DATE APPROVED:	December 1, 2020

## POLICY

3. 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, including and not limited to the principles identified below:

## **Buy Social Pledge leader**

### **Chandos Construction**

Over the next 5 years, we'll shift at least 5 percent of our addressable spend to social impact organizations including:

- Certified social enterprises
- Fellow B Corp Certified companies
- Certified Aboriginal businesses
- And other diverse-owned businesses





# Buy Social Pledge Leader

## SAP





# Social Procurement Implementation Path



## Social Value Menu



# **City of Calgary Implementation**

## **3-year Benefit Driven Procurement Implementation Strategy:**

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

# Benefit Driven Procurement Questionnaire on Every RFX

Are you a Small or Medium enterprise? (Small: 1-49 employees; Medium: 50-499 employees.)

Yes / No

Do you have a 3rd party certification that shows you are a diverse or socially inclusive business?

Certification could be from any of the following organizations verifying that you are a social enterprise, your social impact, or membership of any organization verifying diverse ownership.

- Buy Social Canada Social Enterprise Certification;
- B-Corp;
- 3rd party certification/verification that verifies that the business is owned by; women, LGBTQ2S, Refugees, and/or Racialized minorities, businesses owned by individuals with a recognized disability, Indigenous owned businesses.

Yes / No

Does your organization practice social procurement?

Yes / No

Do you currently track the number of contracts and/or dollar spend in your social procurement practice?

Yes / No

# City of Calgary

## Benefit Driven Procurement



Outcomes from September 2021 to May 2022



**160**  
Bids

Included the Benefit Driven  
Procurement Leadership  
Questionnaire



**53%**  
Contract  
Awardees

Had the highest score on the  
BDP Questionnaire



**\$358M**  
Contracts

Included the Benefit Driven  
Procurement Leadership  
Questionnaire

# Community Benefit Agreements (CBA)

- Identify Community Benefit opportunities on Infrastructure and Development Projects
- An Agreement between Communities, Developers and Government
- Four key opportunity areas:
  - Employment
  - Skills & Training
  - Social Value in the Supply Chain
  - Community Development







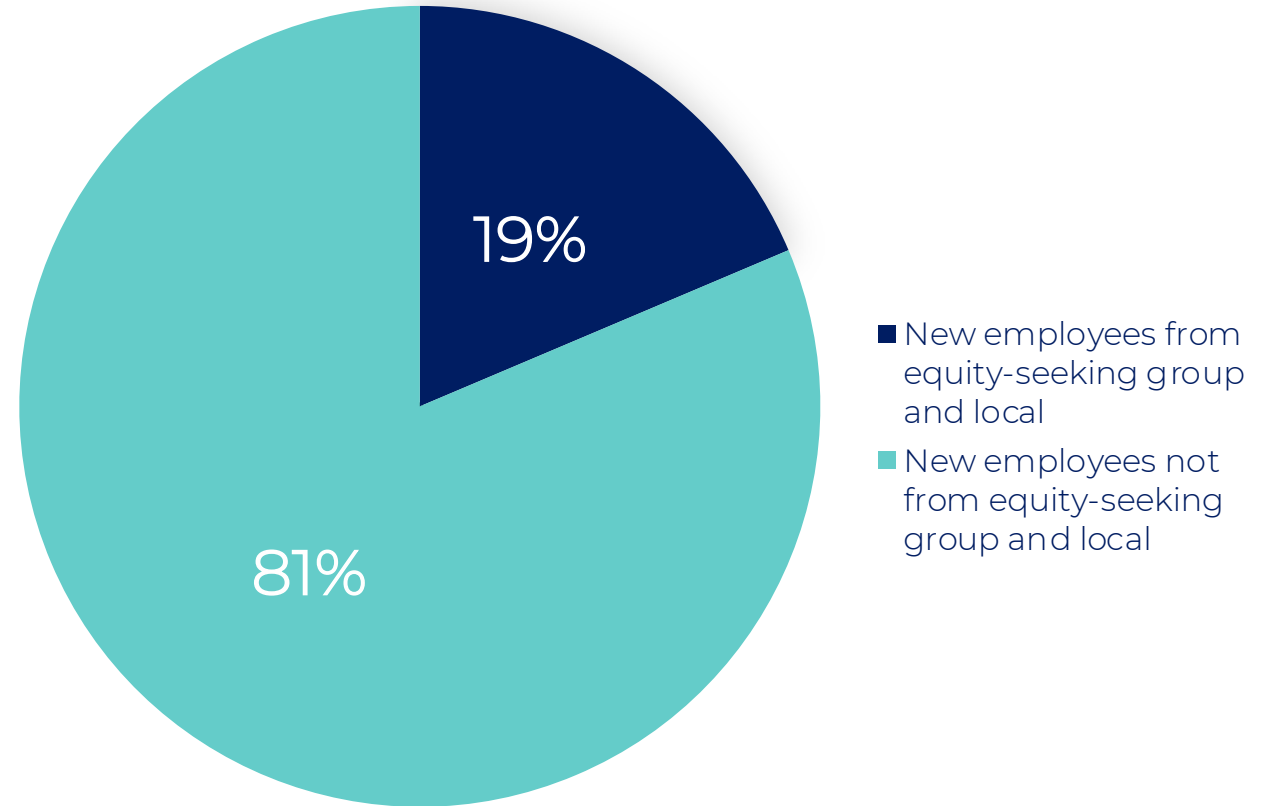
**CONSTRUCTION**



# **Number of new employees from an equity-seeking group and live locally**

April 2021 – January 2023

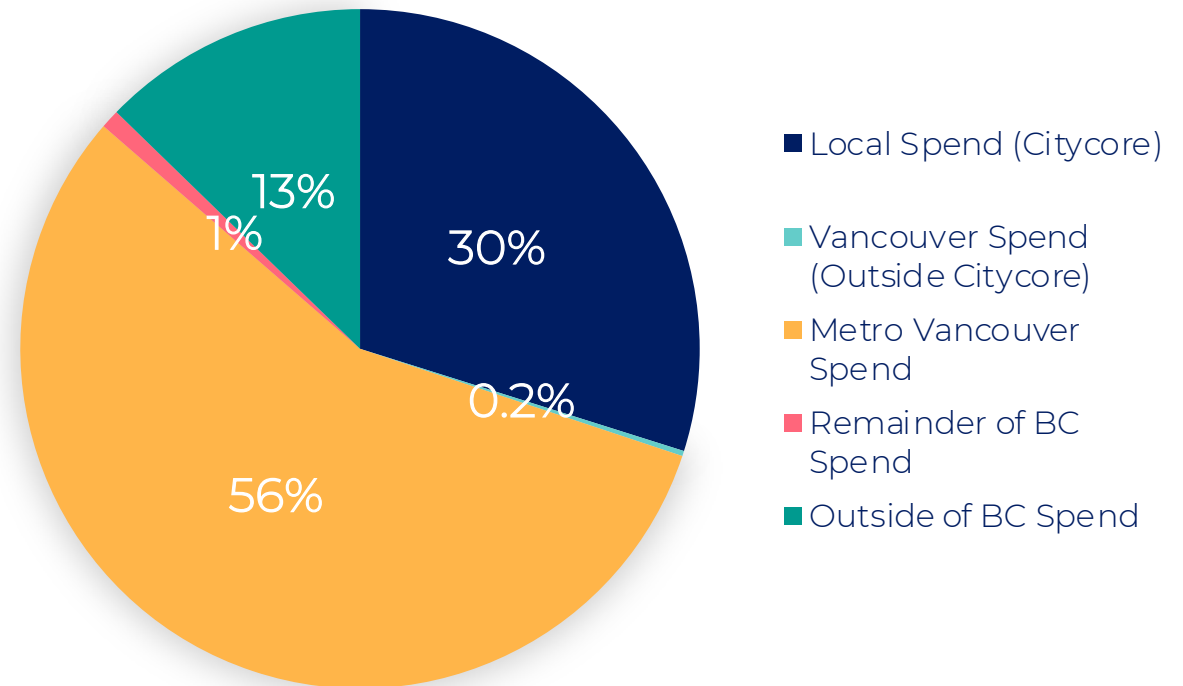
392 total new employees



# Local Procurement

April 2021 – January 2023

30% of spend, \$134,694,292.57,  
went to local procurement

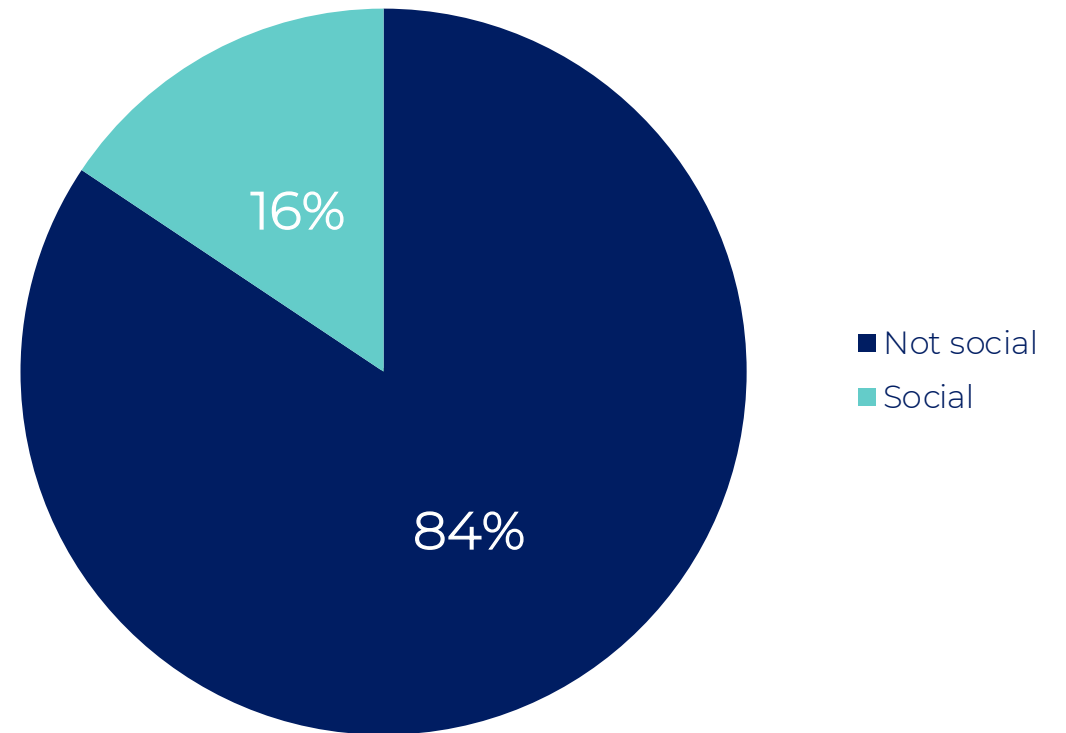




# Social Procurement

April 2021 – January 2023

16% of spend, \$70,482,265.45,  
went to social and diverse  
suppliers



# Estimated Spend with Social Enterprises

**\$300,781.40**



**embers**  
staffing solutions



**Vancouver**  
**Aboriginal**  
FRIENDSHIP CENTRE  
SOCIETY

**pòtluck**



**CleanStart**



**EAST  
VAN  
ROASTERS**  
ARTISAN CHOCOLATE + COFFEE

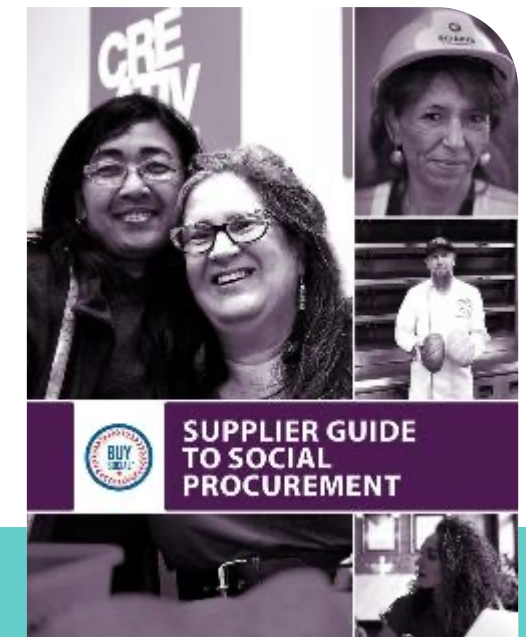
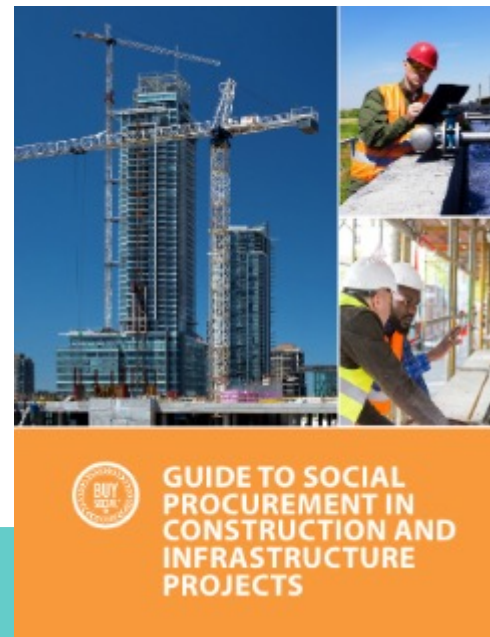
39 CARRALL STREET VANCOUVER, BC V6B 2J4



# Buy Social Canada Support



# Tools and Resources for Social Procurement



# In-depth training



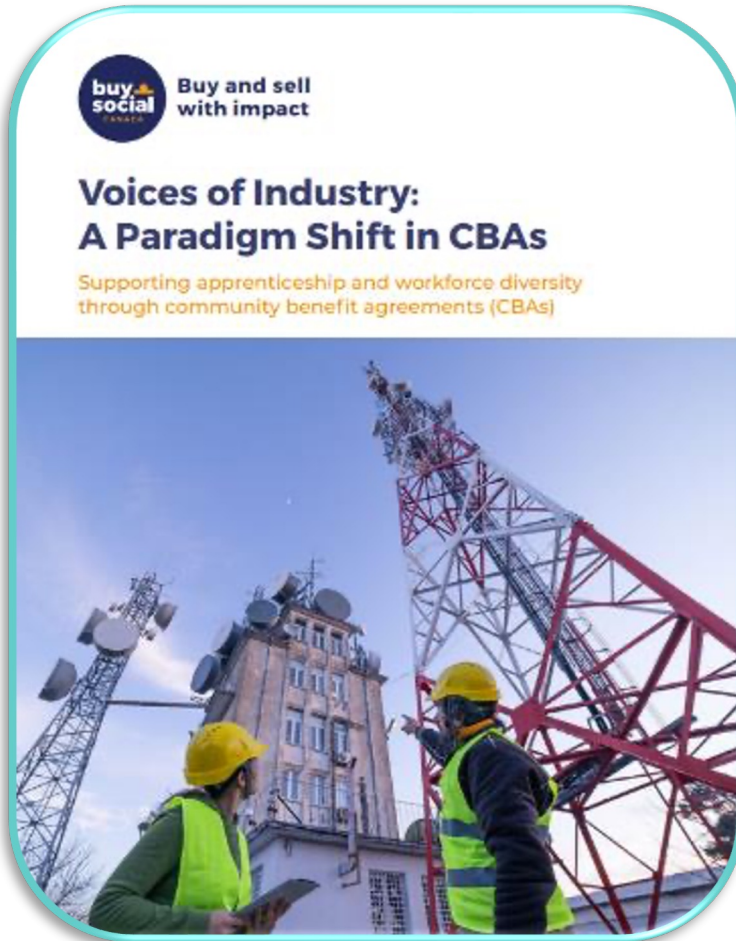
## **Social Procurement Professional Certificate**

/ Create a social value culture within your organization  
/ Develop a social procurement policy  
/ Implement social procurement best practices  
/ For private and public sector procurement

## **Social Procurement Professional Certificate**

- Four-part demand-side course
- Over 250 participants since October 2021
- “An excellent way to get an understanding of social value, its impacts and ideas for identifying and implementing social outcomes in procurement.”

# Research



Available at [www.buysocialcanada.com](http://www.buysocialcanada.com)

## Connect With Us

Have some questions or need information on how you can be involved or how our services can support your social enterprise or social procurement efforts?

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**David LePage**

Managing Partner

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