

Public Services and Procurement Canada Social Procurement

Leveraging Procurement to Support Canadians and
Their Communities

Canadian Institute for Procurement and Material
Management

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Public Services and
Procurement Canada

Services publics et
Approvisionnement Canada

Canada

Purpose

- Outline the background of social procurement at Public Services and Procurement Canada (PSPC); and
- Provide an overview of PSPC's Policy on Social Procurement focusing on key components and objectives.

Context – Drivers for Action

- Canadian small businesses, particularly those led by **Black and racialized Canadians, women** and **2SLGBTQI+ Canadians**, are underrepresented in federal procurement.
- Expenditures from federal procurement are a mechanism for driving economic opportunities and growth for small businesses and organizations.
- The mandate letters committed PSPC to increase the diversity of bidders in procurement, particularly those owned or led by Canadians from underrepresented groups.



Social Procurement

- Social procurement is the practice of leveraging purchasing power to realize socio-economic objectives by including socio-economic measures within procurement processes.
- These objectives can include:
 - Advancing diversity and inclusion;
 - Enhancing market competition;
 - Promoting job creation;
 - Ensuring the flow of economic and social advantage from purchases made from small and medium enterprises, social enterprises, or social purpose organizations; and,
 - Encouraging socially responsible business conduct.



Best Value in Procurement

Procurement decisions in Canada are governed by the principle of **Best Value**. Best Value is the extent to which an acquisition achieves the optimal balance of resource expenditure and realization of outcomes, which includes contributing to the government's socio-economic objectives.

At the heart of every procurement is the goal of achieving the **best possible value** for money for the Crown and Canadian taxpayers.

Key areas for achieving **Best Value** are:



- **Social Procurement:** Achieving socio-economic objectives and diversifying the supply base



- **Indigenous Procurement:** Allocating at least 5% of overall procurement contracts to Indigenous businesses

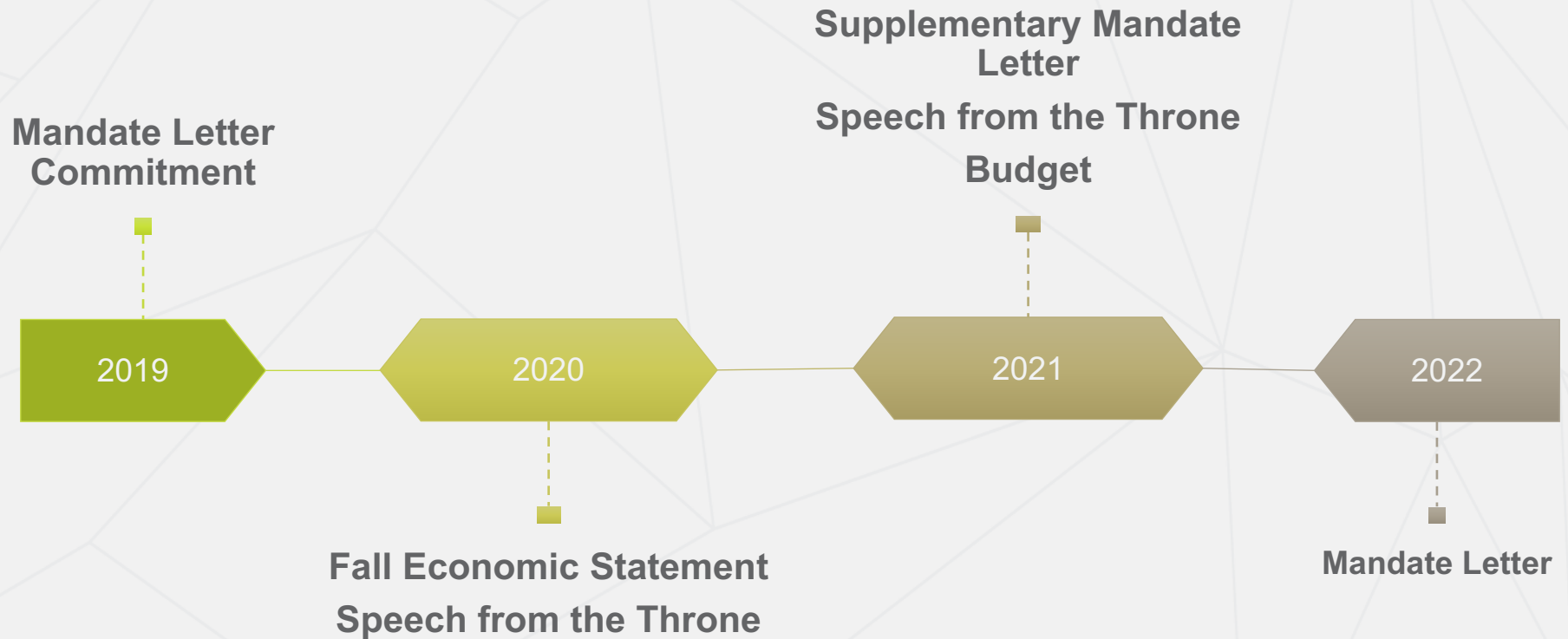


- **Accessible Procurement:** Removing barriers for end users by considering and incorporating accessibility criteria



- **Green Procurement:** Leveraging federal spend to accelerate Canada's net-zero greenhouse gas and circular economy transition

Federal Commitments to Social Procurement



Objectives

- Modernize procurement
- Generate socio-economic benefits
 - Diversify federal supply base
- Enhance skills for equity-deserving groups

Outcomes

- Black Business Procurement Pilot
- Policy on Social Procurement
- Developing tools and materials for procurement officers

Concrete Steps Toward Social Procurement

2018-2020

Experimentation Cycle on Socio-Economic Procurement Outcomes

- Validated PSPC's capacity to deliver socio-economic outcomes through procurement.
- Demonstrated the need for a departmental social procurement policy to address existing challenges, including data collection and provisions of trade agreements.

January 2021

Lessons from Black Businesses Procurement Pilot

- Pilots are necessary to meet the needs of equity-deserving suppliers.
- Communication with stakeholders, including suppliers and client departments is key.
- Regional context and market capacity are important.
- Outreach, engagement and capacity building of equity-deserving groups are key drivers of success.

May 2021

Policy on Social Procurement

- Policy cover to leverage federal procurements to achieve socio-economic outcomes and increase supplier/ bidder diversity.
- Key milestone for PSPC to collect data on Social Procurement.
- Important signal to PSPC staff, OGDs and external stakeholders on PSPC's commitment to social procurement.

2022 +

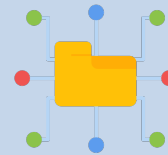
Supplier Diversity Action Plan

- Positioning the work done by PSPC through pilot procurements undertaken since 2018 to advance social procurement and increase the participation of equity-deserving groups.
- Ensuring the department has the data needed to establish baselines on social procurement and to make informed decisions on supplier diversity.

Policy on Social Procurement



Enhance best value in procurement by facilitating the inclusion of socio-economic measures in procurement



Establish the framework for PSPC social procurement policy instruments, programs, and tools



Establish a policy basis for the data collection, of suppliers' personal information to inform social procurement initiatives



Advance PSPC's commitments to diversity, accessibility, community development, inclusion, gender equality, and to tackling systemic racism in Canada



PSPC's *Policy on Social Procurement* came into effect on May 3, 2021

The Policy is a key milestone of the Government of Canada's commitment to leverage federal purchasing power to achieve socio-economic objectives and increase supplier diversity.

Social Procurement Scope

Integrating socio-economic measures in a procurement includes, but is not limited to the following:

- **Eligibility:** Eligible suppliers are those 51% owned or led by members of underrepresented or equity-deserving groups
- **Certification:** Self-certification is currently used by PSPC as an essential component that allows for the measurement and tracking of the diversity characteristics of underrepresented suppliers.
- **Point Rated Criteria:** Up to 15% of the total bid evaluation points could be allocated for supplier diversity criteria to incentivize participation of underrepresented suppliers. This could include:
 - Points for underrepresented bidders as prime contractors.
 - Points for subcontracting to underrepresented suppliers.

Set-Asides: Market analysis of supplier capacity will determine where a set-aside could be applied. Dedicated opportunities, or set-asides, will level the playing field by allowing procurement opportunities to be reserved for competition between underrepresented suppliers.

Social Procurement Ecosystem:

PSPC's Policy on Social Procurement and the Supplier Diversity Action Plan will impact several key elements of PSPC's procurement ecosystem and how PSPC engages with stakeholders.



Tools and Guidance to support Social Procurement

As PSPC refines its approach to social procurement, the department will expand on the following tools to support its initiatives:

- Procurement Information Nuggets.
- Online Social Procurement Interactive tool
- Sample assessment criteria and clauses
- FAQs
- Supplier diversity user guide
- GBA Plus Approach include the following:
 - Creating an Equitable Procurement Environment (Training Course).
 - GBA Plus in procurement (Videos).
 - GBA Plus GCpedia
- Privacy guidance documentation.

Next Steps: Implementing Social Procurement

Implementation of the social procurement policy includes the following:

- Creating focused procurement opportunities for equity-deserving groups and their communities.
- Embed proactive thinking by engaging suppliers early-on regarding supplier diversity opportunities.
- Consider how requirements may be simplified to engage more underrepresented suppliers.
- Applying GBA Plus in social procurement.
- Conducting studies to understand the market capacity and establishing a baseline to identify data gaps.
- Delivering outreach and engagement activities via PSPS's Procurement Assistance Canada (PAC).

Questions?