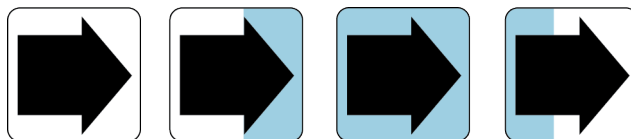




Social Procurement

Maximising your Community Impact from Existing Purchasing



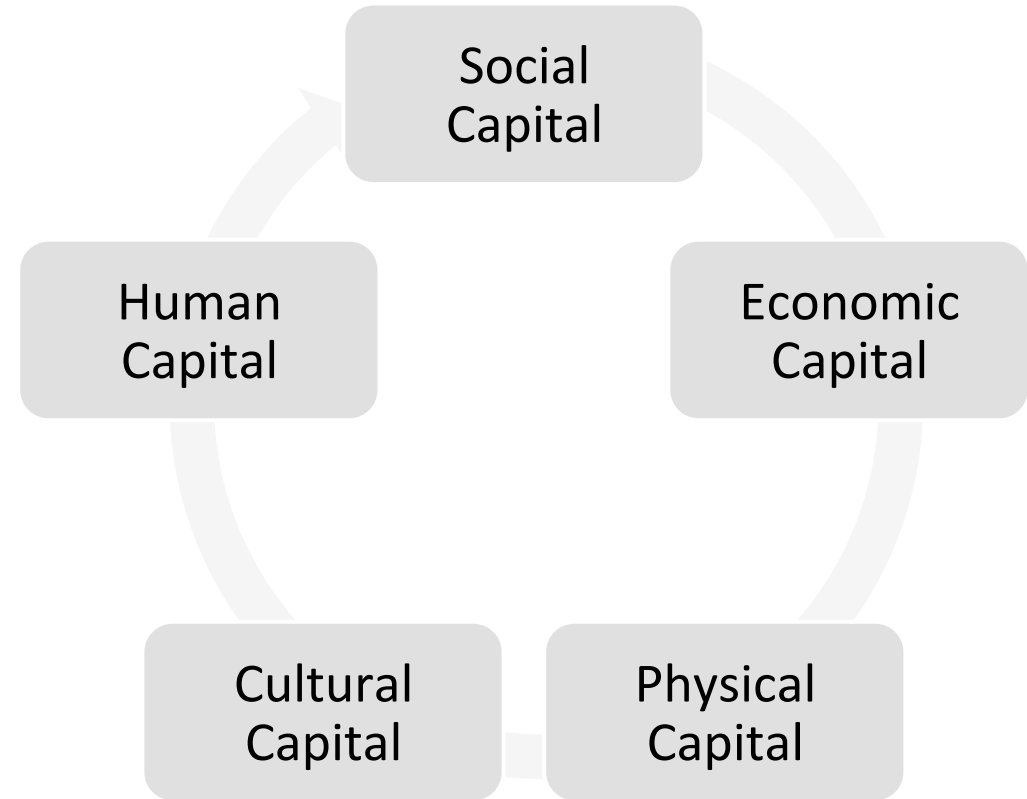
Canadian Institute for Procurement and Materiel Management
Institut canadien d'approvisionnement et de gestion du materiel

CIPMM Regional Workshop
November 22, 2017
Vancouver, BC

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Our Goal:
Creating Healthy Communities

Building Healthy Communities is about addressing social, economic, cultural and environmental issues by creating community capital and not just economic value...



Agenda

Social Procurement

What

Why

How

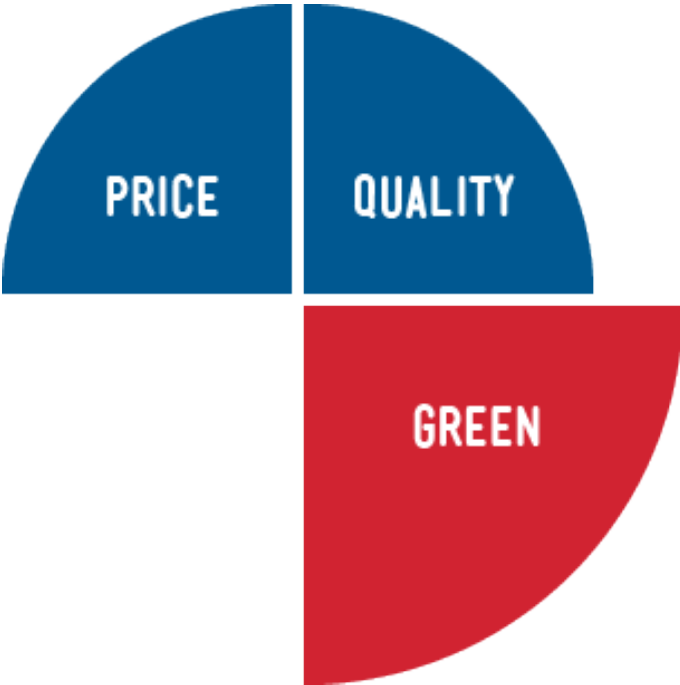
What is Social Procurement?

Adding social value to existing purchasing

Evolving Procurement Trends



Traditional model

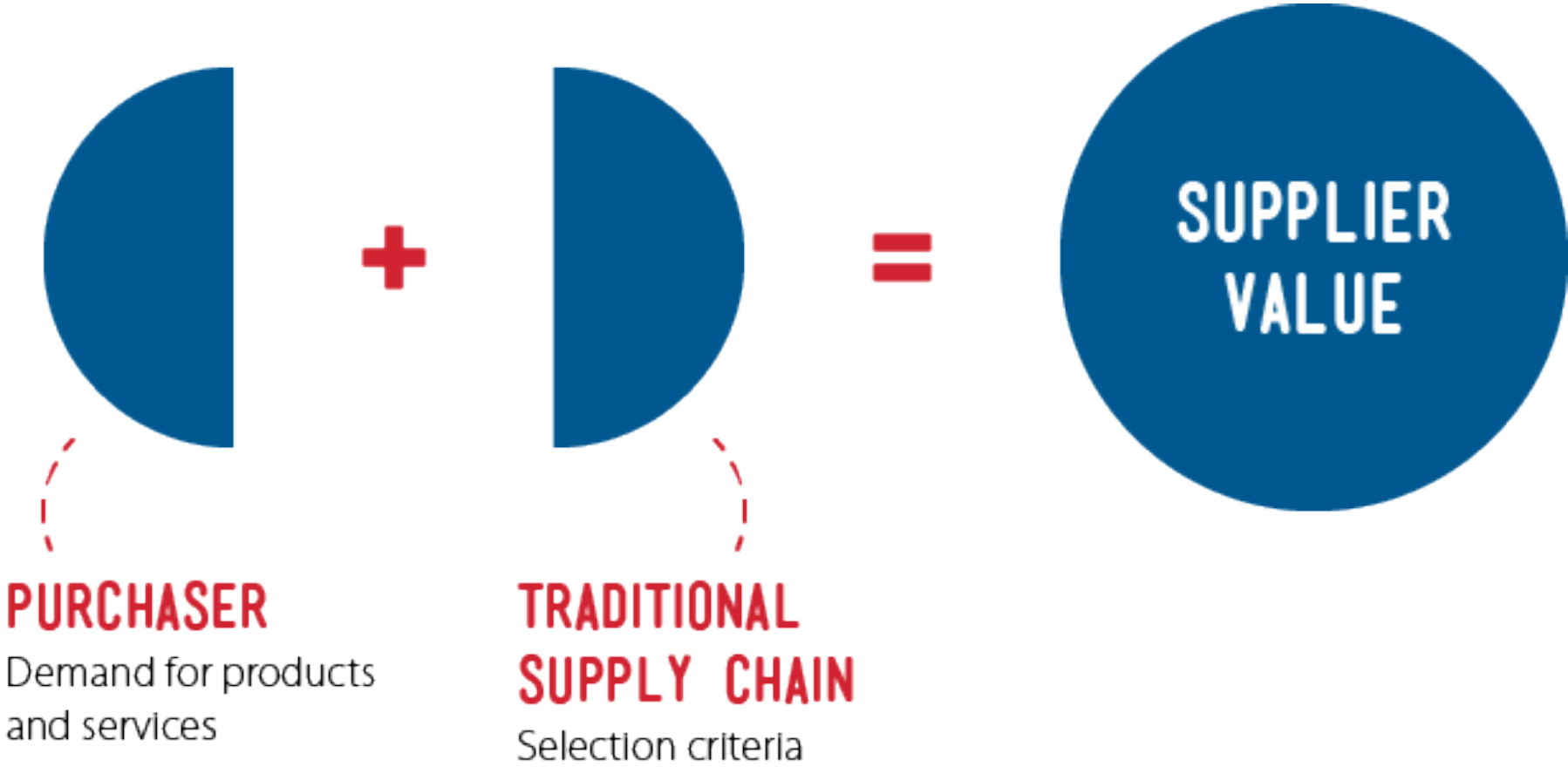


Trend from 1980

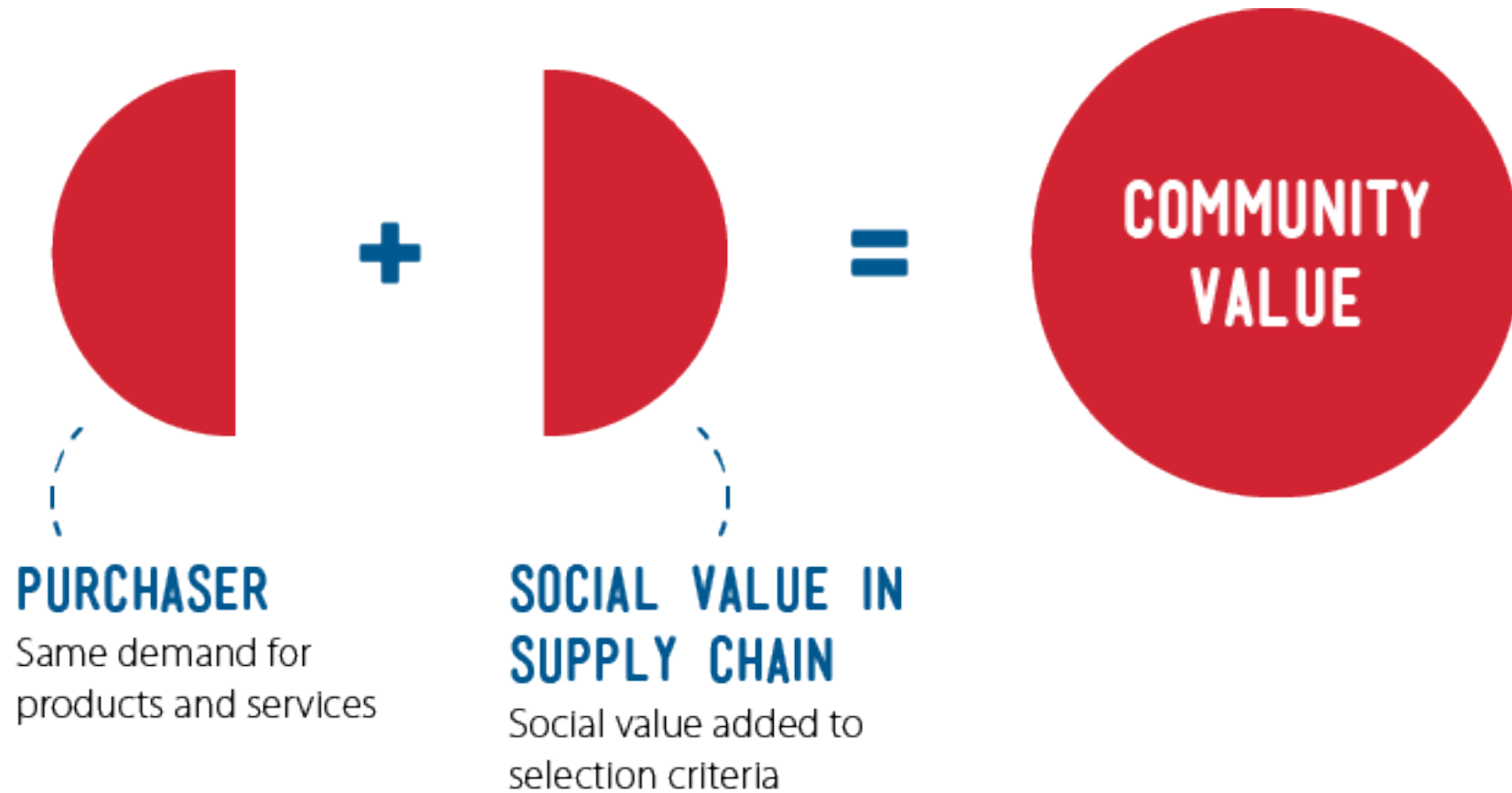


Emerging trend

Traditional Procurement Model



Social Procurement Model



Social
Procurement:
greater value
from existing
purchasing

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

- Barraket *et al*,
*Social Procurement and
New Public Governance*, 2016.

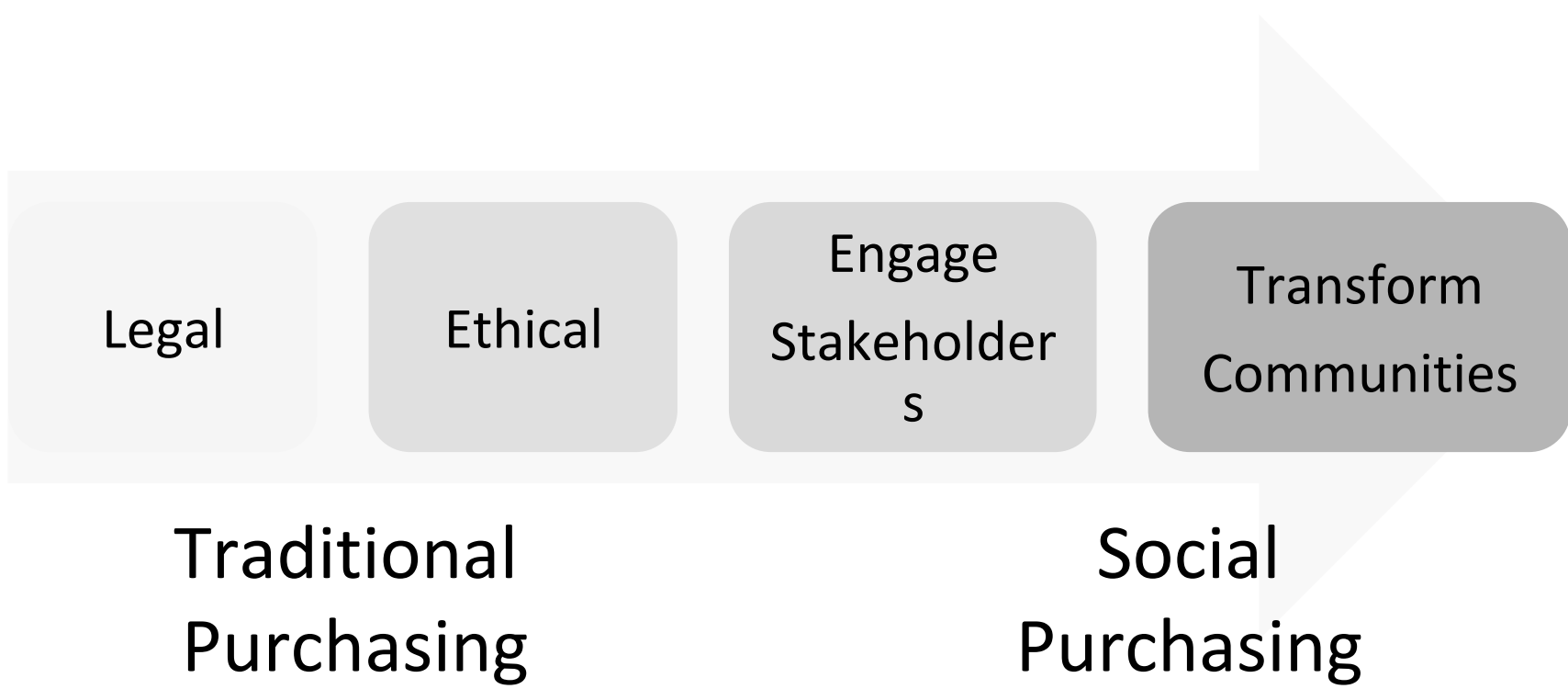


Why?

Social procurement
can generate
intentional
community
benefits



Role of Social Procurement in Building Healthy Communities

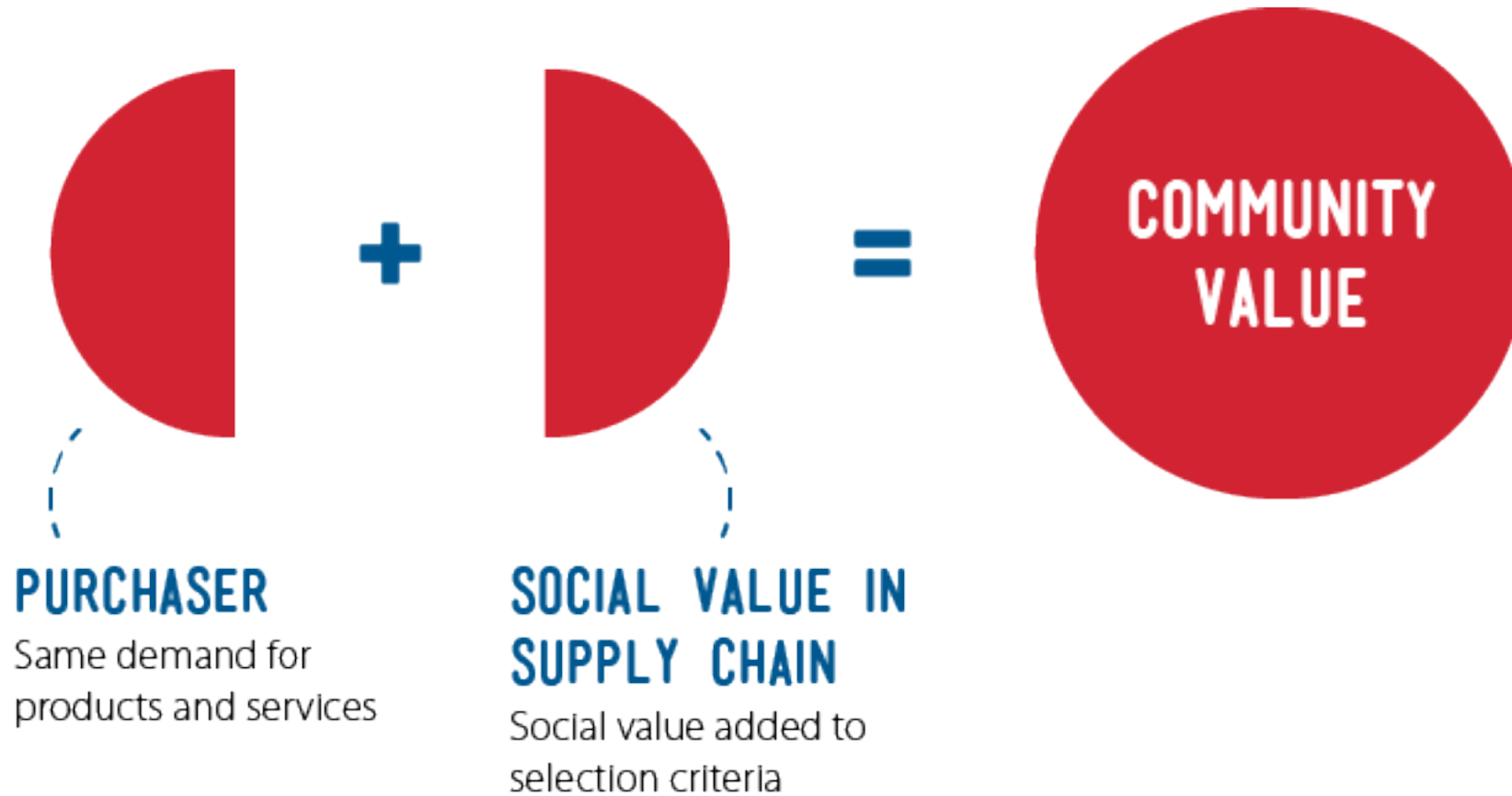


How?

Social purchasing for goods and services



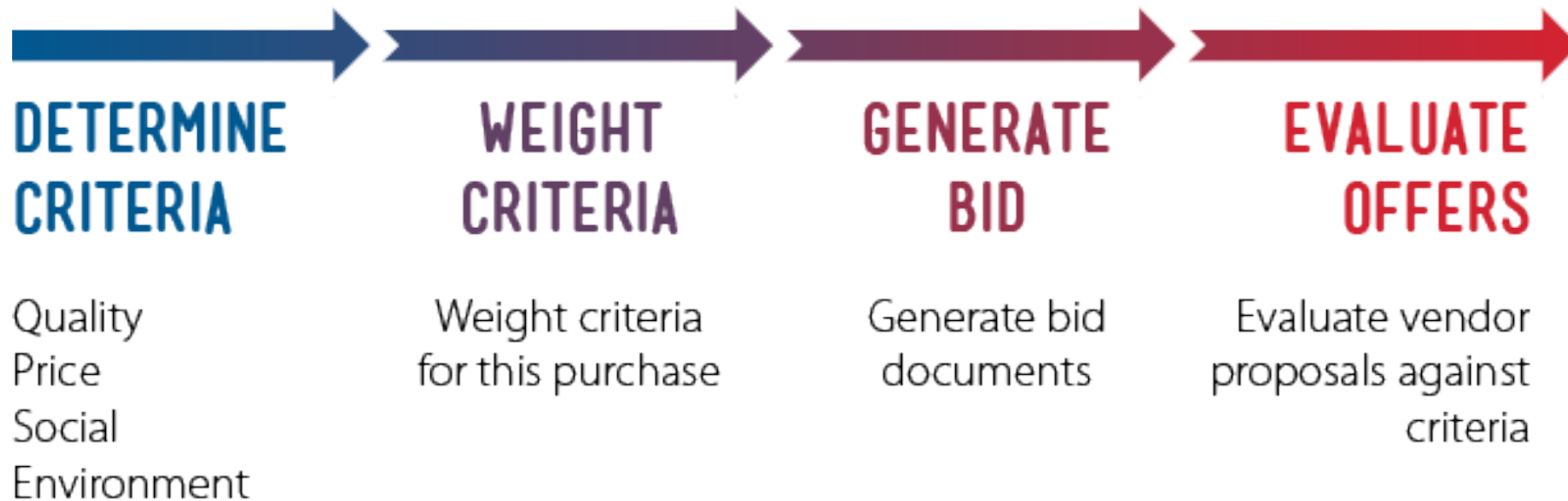
Adding Social Value to the Supply Chain



Early on in the process, based upon each specific product or service to be purchased, determine the potential social value outcomes

Identify Potential Social Value Outcomes	Include in this Purchase?
Local Economic Development	
Targeted Employment Opportunities	
Social Enterprise Suppliers	
Local Purchasing	
Skills Training / Apprenticeships	
Environmental Impacts	
Other	

Social Purchasing Process



Example of Social Purchasing Impact



BC Housing included a social value criteria into an RFP for junk and trash removal.

The bid evaluation of price, service, environment, and SOCIAL led BC Housing to award the contract to CleanStart, a social enterprise that employs persons with barriers. The contract provided CleanStart the opportunity to increase their hiring of targeted employees.

Community Benefit Agreements

CBAs are agreements between government, developers, and community to meet project goals and community benefits from development and infrastructure investments.



Community
Benefit
Agreements are
attached to
infrastructure or
development
projects

Every major development will have an economic, environmental, and social ripple effect.

What community value can intentionally be created during the design, construction, and operation of the project?

Examples of Community Benefit Agreement Social Impacts

Targeted Employment Objectives

- i.e. Training, Apprenticeships, Employment of Persons with Barriers

Targeted Purchasing Requirements

- i.e. Social Enterprises, Local, Supplier Diversity

Meeting Community Service Needs

- i.e. Day Care, Cultural Programs, or Space

Community Benefit Agreement Process

1) **Learning** for staff, community, and suppliers

- Workshops and learning opportunities
- Relationships between government, community, purchasers, and suppliers
- Early stage engagement and planning

2) **Clarify objectives** through Stakeholder Engagement

- Employment, training, apprenticeship, economic multiplier, social enterprises, cultural, supply chain, other

3) **Integrate social criteria** into Bid Documents + Contract Negotiation

- Design Process
- Construction phase outcomes
- Operations and occupancy phase outcomes

4) **Measure** Outcomes

- Across financial and social objectives
- Engage contractors, community, and government

Example of Community Benefit Agreement Social Impact



The City of Vancouver required local hiring and local purchasing as a community benefit agreement unto a development contract for an expanded casino.

The result was EMBERS, a social enterprise day labour sub-contractor, experienced significant business growth and employment of more persons with barriers.

Canadian Social Procurement Implementation Examples

- Prime Minister's Mandate letter to Federal Minister of Public Service and Procurement
- 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 rebuild
- PARQ Casino Community Benefit Agreement, Vancouver
- Metrolinx CBA in Toronto



International Social Procurement Implementation Examples

- Scotland Public Procurement Reform - 2013: “... *make better use of our public procurement to drive innovation.*”
- Scotland Social Value Act - 2015
- UK Public Services Social Value Act - 2012
- “*Welsh procurement policy aims to address and balance economic, social and environmental issues and impacts.*”



Cultural Barriers to Social Procurement Implementation

Policy chill of trade agreements

- Solution: Understand the legal issues, financial thresholds, exemptions, and the 'work-arounds'

Current purchaser training and reward system is 'budget' focused

- Solution: Leadership must develop a community impact knowledge and reward system

Silos within governments and programs

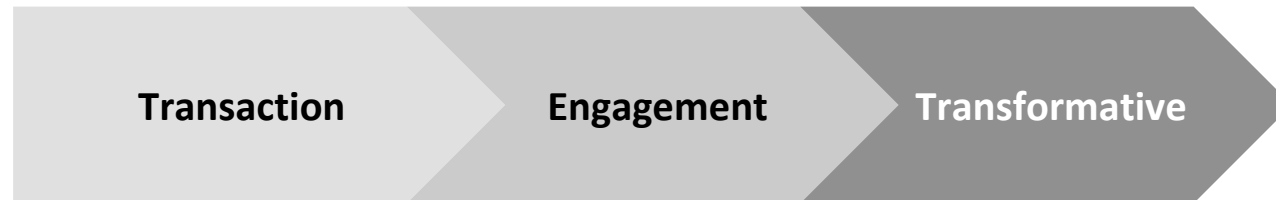
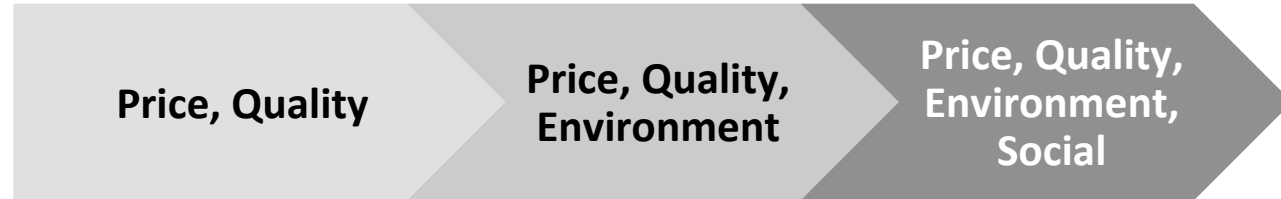
- Solution: Implement multiple stakeholder engagement goals and horizontal procurement models

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

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

Emerging Paradigm: A Culture of Social Procurement

The
Past
Paradigm



The
Future
Paradigm

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

www.buysocialcanada.com

Key Programs and 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



When we focus on
'best value for money,'
procurement is much more than
an economic transaction

Social purchasing becomes
a means to build healthy communities



Social Procurement
Maximizes Your Social Impact
from Existing Purchasing

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