Social Procurement Case Study

City of Calgary Benefit Driven Procurement

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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.

WEBINAR AGENDA

Social Procurement Recap Social Procurement in Calgary Community Advocacy Engagement Training Practice & Pilots

Ideas & Examples

Resources & Tools

Our Communities Face Multiple Complex Challenges:

Social Economic Environmental COVID-19 Recovery

- Local Economic Disruption
- Youth Disengagement
- 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

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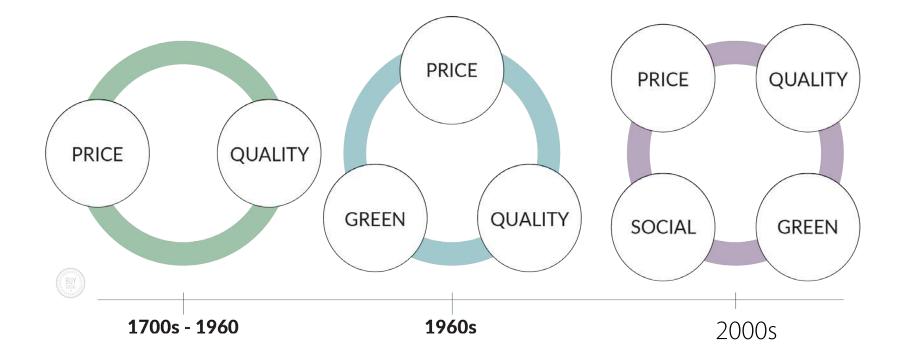
- Building Maintenance and Cleaning
- Professional Services
- Food Services

Translation Office Supplies Repairs & Construction Landscaping *Etc.*



Social Procurement leverages a social value from existing procurement

Evolution of Procurement



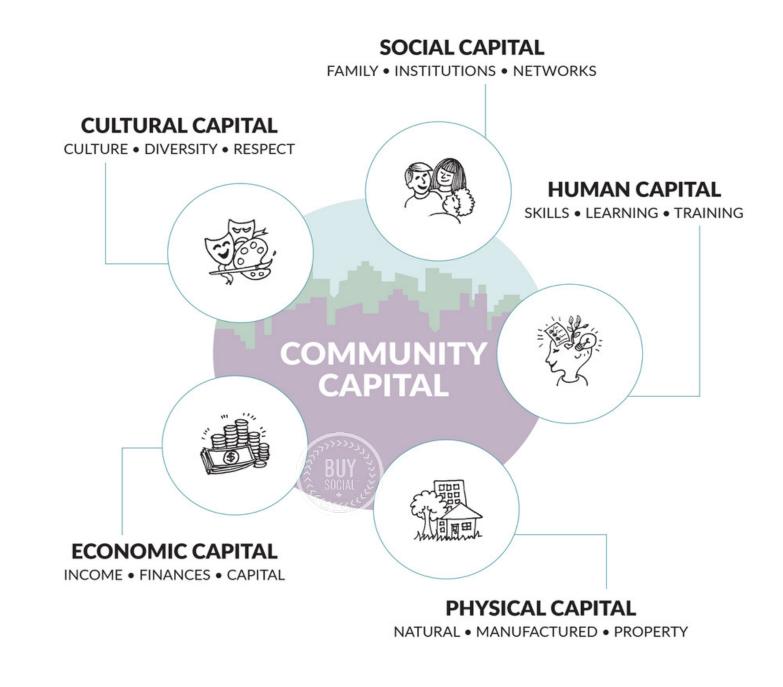


Social procurement seeks best value

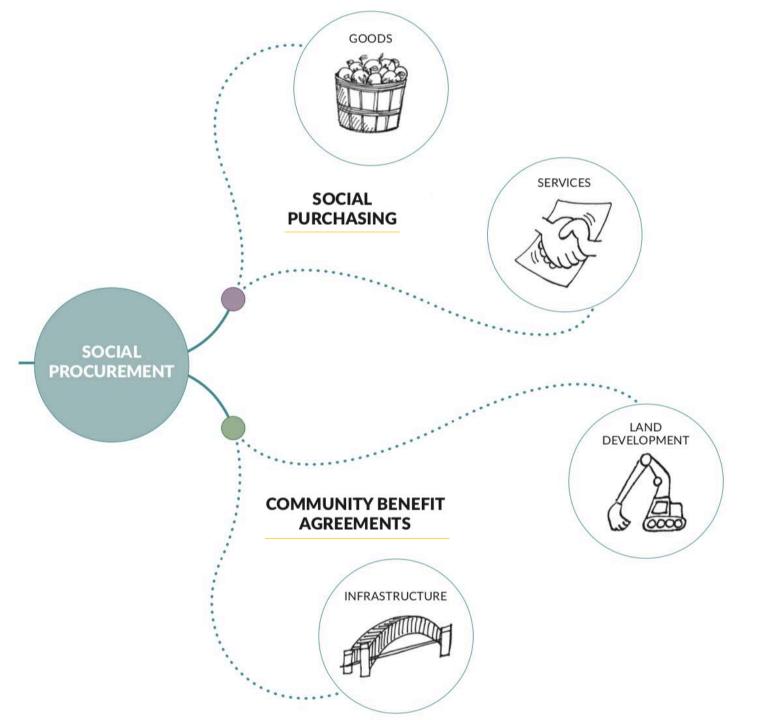
When we focus on 'best value for money' procurement is much more than a financial transaction;

Procurement becomes a tool for building healthy communities.

'Best value for money' considers more than economic transactions, it creates Community Capital



Social procurement has two primary pathways



What is social procurement?

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

> Prof. Jo Barraket Director of the Centre for Social Impact Swinburne, Australia

City of Calgary Benefit Driven Procurement



Social procurement in Calgary

Community Advocacy

- Council approves recommendations to develop social procurement policy
- Council approved and funded 3 year implementation strategy
- Stakeholder engagement through Advisory Task Force
- New name of Benefit Driven Procurement
- Implementation Pilots
- Adoption of policy

Existing Procurement Policy

Sustainable, Environmental and Ethical Procurement Policy (SEEPP)

Community Advocacy

"By being more strategic in the design of public procurement, our city can move markets in the direction of our economic, social, and environmental goals. By better leveraging existing spending to improve social and environmental outcomes, we can improve lives and the overall bottom line."



COMMUNITIES CALGARY





Council approves recommendations to develop social procurement policy

SSEEPP

✓ Create Advisory Task Force

✓ Pilot projects

 Measurement and reporting framework

SSEEPP Key Objectives

✓ Diverse and socially inclusive suppliers and SME

- Economic opportunity for historically underrepresented groups
- Apprenticeship and training opportunities
- ✓ Prepare for Community Employment Benefits

Benefit Driven Procurement Implementation Plan

POLICY DESIGN	LEARNING / PILOTS			IMPLEMENTATION
Q4 2018	Q1 2019	Q2-4, 2019	2020	2021
Adoption of Social Procurement Policy Principles	Advisory Task Force TOR	Initial Pilots	Monitor Measure	Report to Council
	Identify Pilot Types	Training	Pilots Phase 2	Adopt Procurement Procedures
	Workplan	Task Force Convenes	Broader Engagement	Pilot Assessments
	IMPLEMENTATION DESIGN:			

Multi-stakeholder Advisory Task Force

External Members					
Mayor's Office and Ward 9 Councilor	Calgary Construction Association (CCA)	Alberta Roadbuilders & Heavy Construction Association (ARHCA)			
Chamber of Commerce	Buy Social Canada	Momentum			
Federation of Canadian Municipalities	Mount Royal University	Imagine Cities			
Internal Members					
Business and Improvement Areas (BIAs)	Resilience & Infrastructure Calgary	Waste & Recycling Services			
Indigenous Relations	Environmental and Safety Management	Supply Management			
Facilities Management	Calgary Neighbourhoods	Calgary Housing			

Internal and External Training

Purchasers: Internal City procurement staff

 Suppliers: Training on the what, why and how to fill out the Benefit Driven Procurement Questionnaire



Benefit Driven Procurement Questionnaire on a variety of goods and services:

- ✓ Food services
- ✓ Welding
- ✓ Landscaping
- ✓ Engineering
- ✓ Racism and equity consulting

First report to council Q1 2021 (March)

 Updates on 20+ goods and services pilots

Measurement framework

City of Calgary Benefit Driven Procurement

Community Advocacy and Engagement

✓ Locally relevant objectives

Training and Implementation

✓ Change management

Social Procurement for Calgary

The following community economic development champions ask that the City of Calgary explore how it can enhance social procurement.

What is social procurement?

Social procurement leverages existing buying power to increase community benefits, which can include local economic development, social impact, targeted employment or training, and environmental benefits.

Social procurement is not an added cost, but an innovative adaptation of current procurement processes to achieve broader city goals.

The purchaining of goods and services still takes place through a competitive and transparent bidding process, initial too protectively seeking to achieve community benefits. Additional community value is created when initializature and major development projects include a community benefit agreement.

Why do aocial procurement?

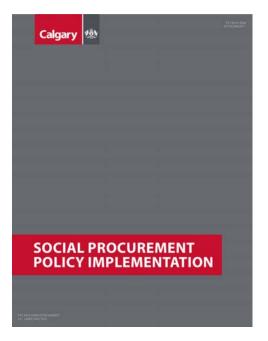
Fiscal responsibility Public procurement carries great responsibility, and taxpayer-funded systems can and should be designed to deliver value as widely as possible across society. This is better accomplished through social procurement initiatives and policy. Internatingly, jurisdictions around the world are leveraging public supply chains strategically to deliver broad community benefits.

Economic appointing for all Studies from the international Monitary (rund) and University of California' how that account policy of the strong terms of the studies of the strong terms conting grants. However, ethnic minorities, women, including ta the oncession strong terms of disabilities, revecomer, or LGB102- persons, and others face basiners in their ability to access competitive procument controls from public institutions, as well as barriers to enablight the packgrants more processes contents, and by as a strong to the packgrant of the packgrants more processes contents, and by economic and social advormes.

Increasing involution Prioritizing economic apportunities for all increases competition and properly innovation through a more diverse pool of applications and vendors. While the private and public sectors continue to try to advance Calgary's innovation econystem, studies from Brookings institute' and University of Torreto downotistic that "Increasive econystems may associated as more inequality." To energy this, close a consist downotistic that "Increasive econystems and econystem studies from Brooking institute" and University of Torreto accessing evidence that burnesses that interntionally adopt a "doing business differently" approach outperform their competitors.

Building a sustainable economy: By being more strategic in the design of public procurement, our city can move markets in the direction of our economic, social, and environmental goals. By better leveraging existing spending to improve social and environmental outcomes, we can improve lives and the overall bottom line.

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Emerging Across Canada

Federal Government

Policy and Pilots for Goods & Services Community Employment Benefit Policy

Municipalities

Toronto, Brampton, Edmonton, Wood Buffalo, Vancouver, Surrey, Victoria, Tofino, Campbell River, Comox,

Institutions

BC Housing, Ottawa Housing, York University, Simon Fraser University, Tourism Vancouver

Corporations

Chandos Construction, SAP



Additional Ideas & Examples



> SMALL BUYS

"At the City, we are trying to alleviate social conditions that impact our community homelessness, affordable housing, unemployment, high cost of living. We see social procurement as a way to help the community thrive." - Leah Hamilton

City of Victoria

- Purchasing Card Spend: \$3.9M Annually
- Purchases of \$1,500 or less
- 600 people with purchasing cards
- Training and resources
- Supplier list

Social procurement: What is possible?

Economic impact of local suppliers

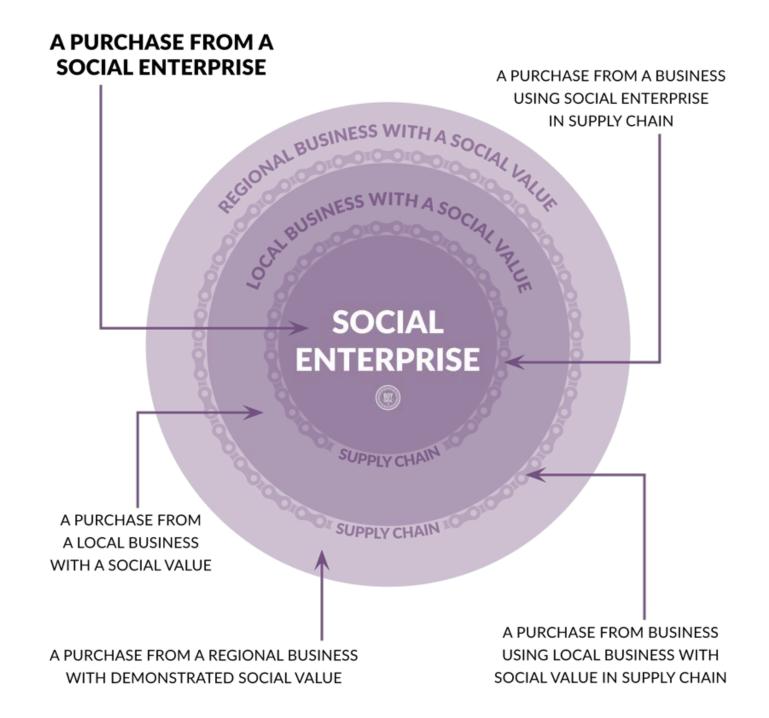
The economic multiplier effect*

For every **\$100** spent with a "local" office supply business, **\$63** is reinvested locally

For every **\$100** spent with an "MNC" (big box), only **\$14** is reinvested locally

*Source: 2019 LOCO BC Study; 'The Economic Impact of Local Businesses'

Concentric circle considerations





Equity-seeking businesses

✓ Social Enterprises

✓ Diverse-owned businesses

Examples of Certification and Listing Organizations

- Black Business Initiative
- Buy Social Canada
- Canada Aboriginal and Minority Supplier
 Council
- ✓ Canada's LGBT+ 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



Policy

"York aims to increase the number of employment apprenticeship and training opportunities for people from the University's local neighborhoods, other Equity-Seeking Communities and Indigenous People, and to broaden York's supply chain by providing diverse vendors with equitable access to tender opportunities to foster inclusive economic growth."



Vendor List

New Markham campus construction

Skilled Construction Labour
 Unskilled Construction Labour
 Building Material Supply
 Safety Equipment Supply
 Equipment Rentals
 Printing Services
 Catering Services
 Cleaning Services

SENCO Social Enterprise and Supplier Directory

- ✓ Diverse owned businesses
- ✓ Supports equity seeking groups
- ✓ Social and environmental sustainability



✓ What do you buy?

 Is there a social enterprise that can offer that good or service?

> CONTRACTS

Tourism Vancouver Giftbox



> CONTRACTS

University of Winnipeg food services



✓ Social enterprise

- Five food venues
- Delicious and nutritious food
- Employment opportunities for underrepresented groups
- ✓ Sustainably sources
- Create meaningful community through food



✓ Large budgets

- Employment and training opportunities
- ✓ Policy
- ✓ Strong social enterprise sector
- ✓ COVID-19 Recovery

> CONSTRUCTION

Community Benefit Agreements

- 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

1st and Clark

BC Housing, Vancouver Coastal Health, City of Vancouver & Chandos Construction

- ✓ 10% of new hires from equity-seeking groups
- 10% of purchasing from social enterprises, third-party certified social impact companies and/or equity-seeking businesses and small businesses.



Social procurement: What is possible?

Construction and infrastructure projects

On a \$1M contract local suppliers create 3.6 jobs compared to 1.8 - 2.0 jobs with multi-national corporations*

> *Source: Vancouver Island Construction Association paper; "Facts or Fiction?"

Social procurement: Does it cost more?

"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

Social procurement: Is it legally possible?

What about the trade agreements?

Yes, it is legal, and yes, the trade agreements do apply and require parameters for language and actions:

- ✓ You cannot restrict competition, but you can require community outcomes from all bidders
- Trade agreements have exceptions for contracting with non-profits, prison labour and others
- Trade agreements have financial thresholds



Tools and Resources for Social Procurement



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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