



Buy with Impact

Why Social Procurement Matters
and How to Apply a Food Lens

November 23, 2022

About

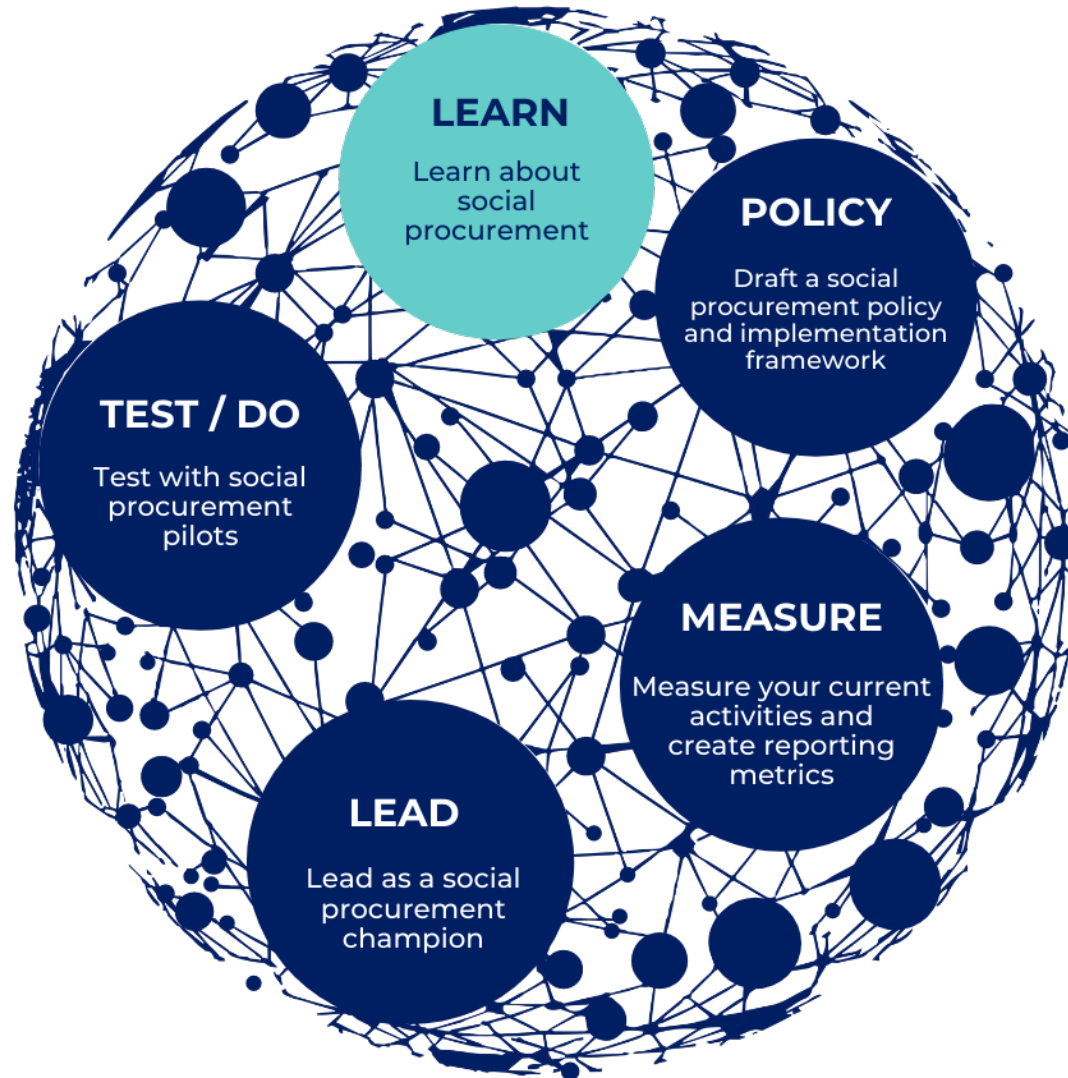


**Social
Procurement
Leaders**



**Tori Williamson
Director of Education
and Communications**

Social procurement organization journey



Our communities face multiple complex challenges

- Social
- Economic
- Environmental
- COVID-19 Recovery
- Food security and food resiliency
- Employment challenges
- Skills gaps
- Local economic disruption
- Circular economy and waste
- Social isolation



Canada's Federal Government Purchases

\$24 Billion

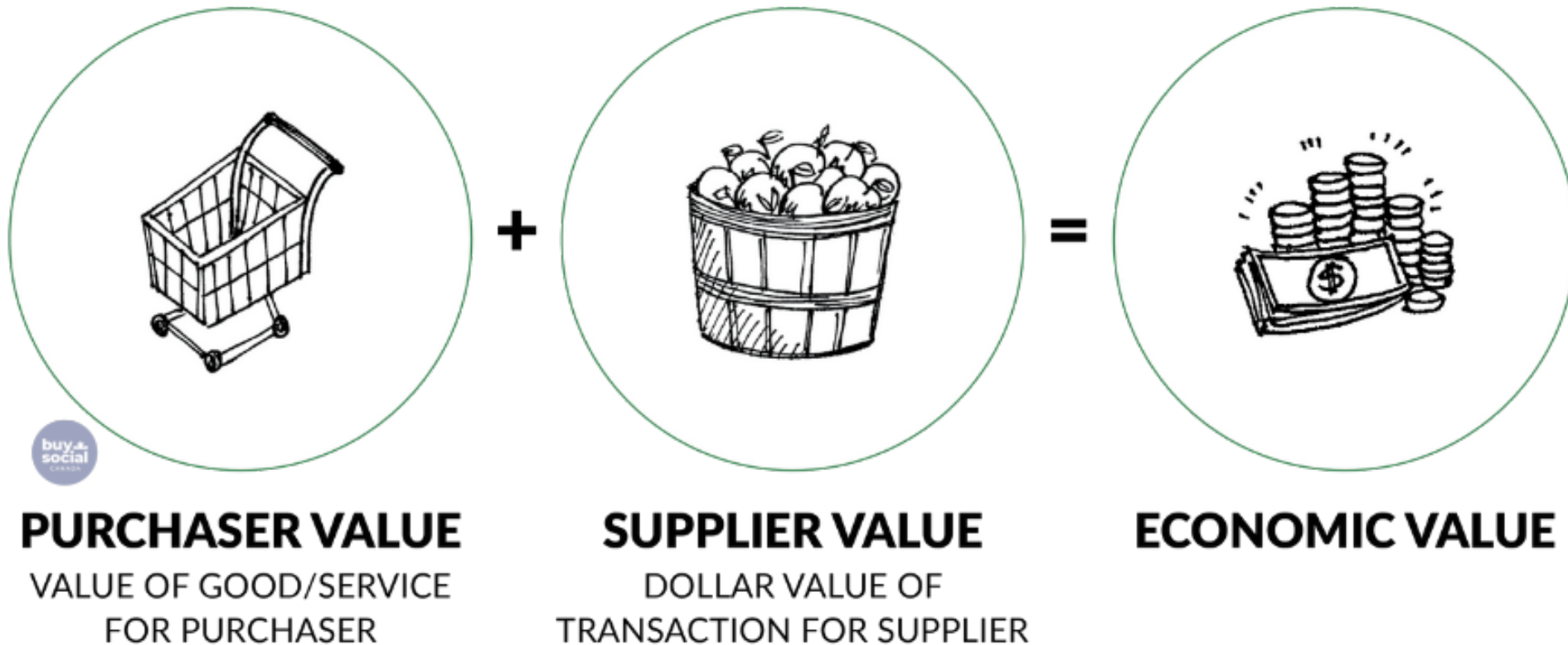
In goods and services annually

\$200 Billion

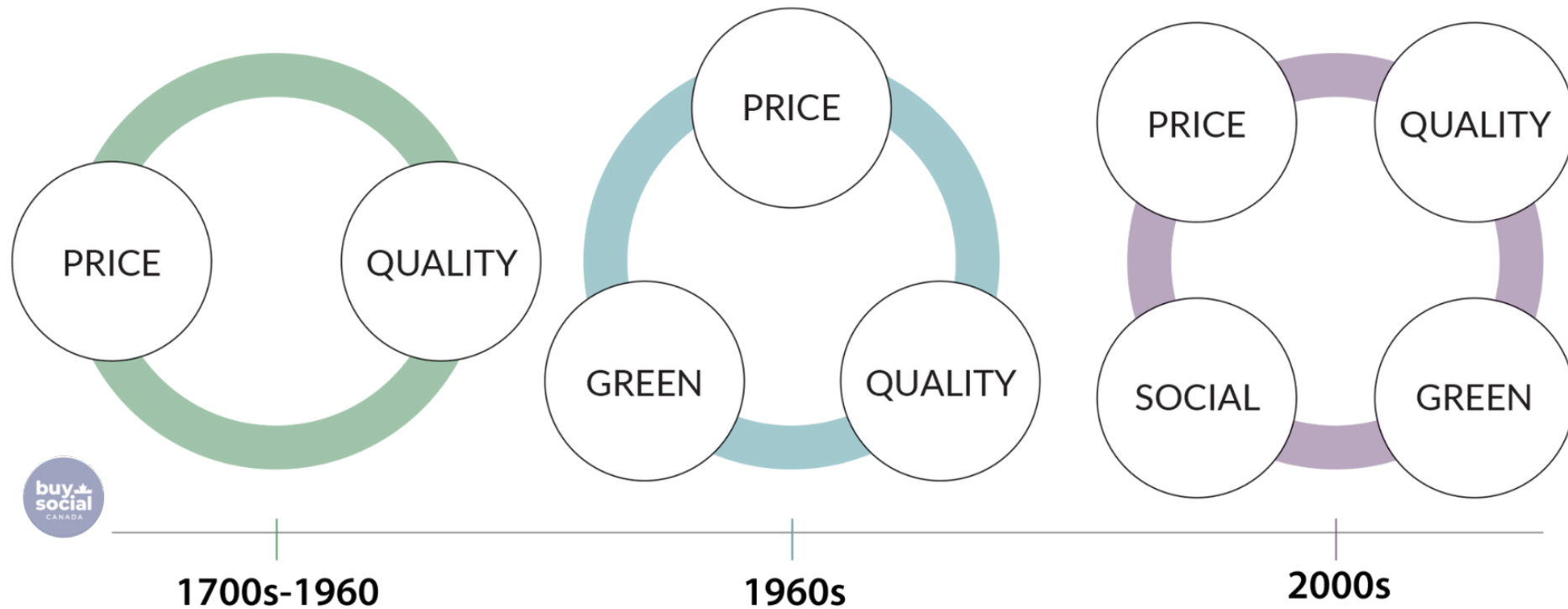
Over the next ten years in infrastructure

-
- Building Maintenance and Cleaning
 - Professional Services
 - Food Services
 - Office Supplies
 - Repairs & Construction
 - Landscaping
 - Etc.

What is procurement?



Evolution of procurement



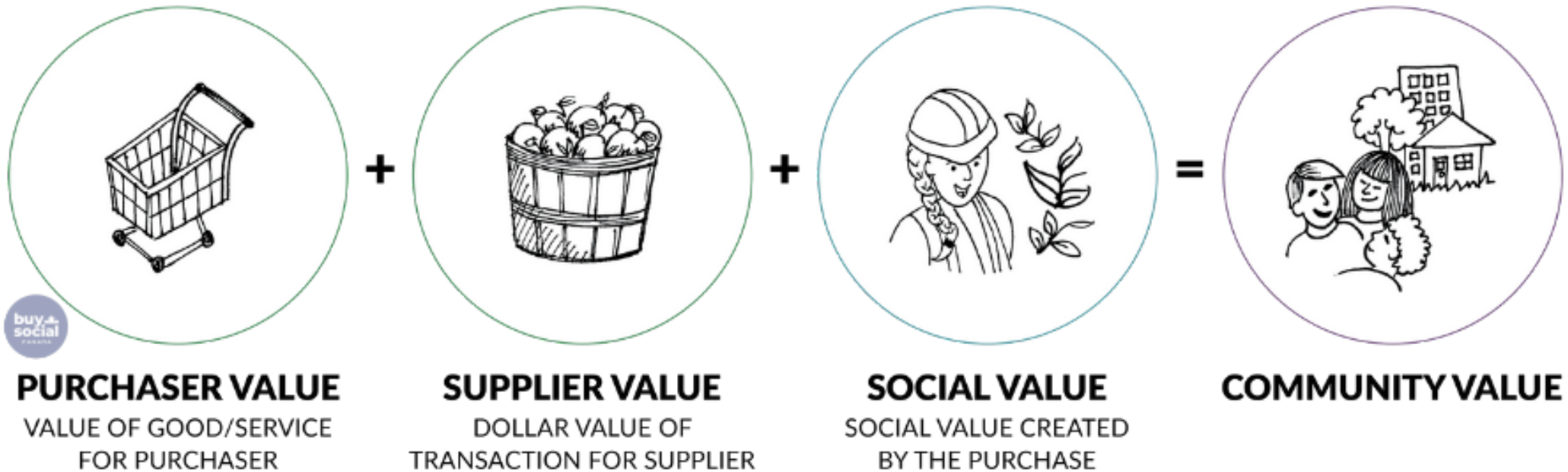
What is social procurement?

“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

Social procurement adds a social value to existing purchasing





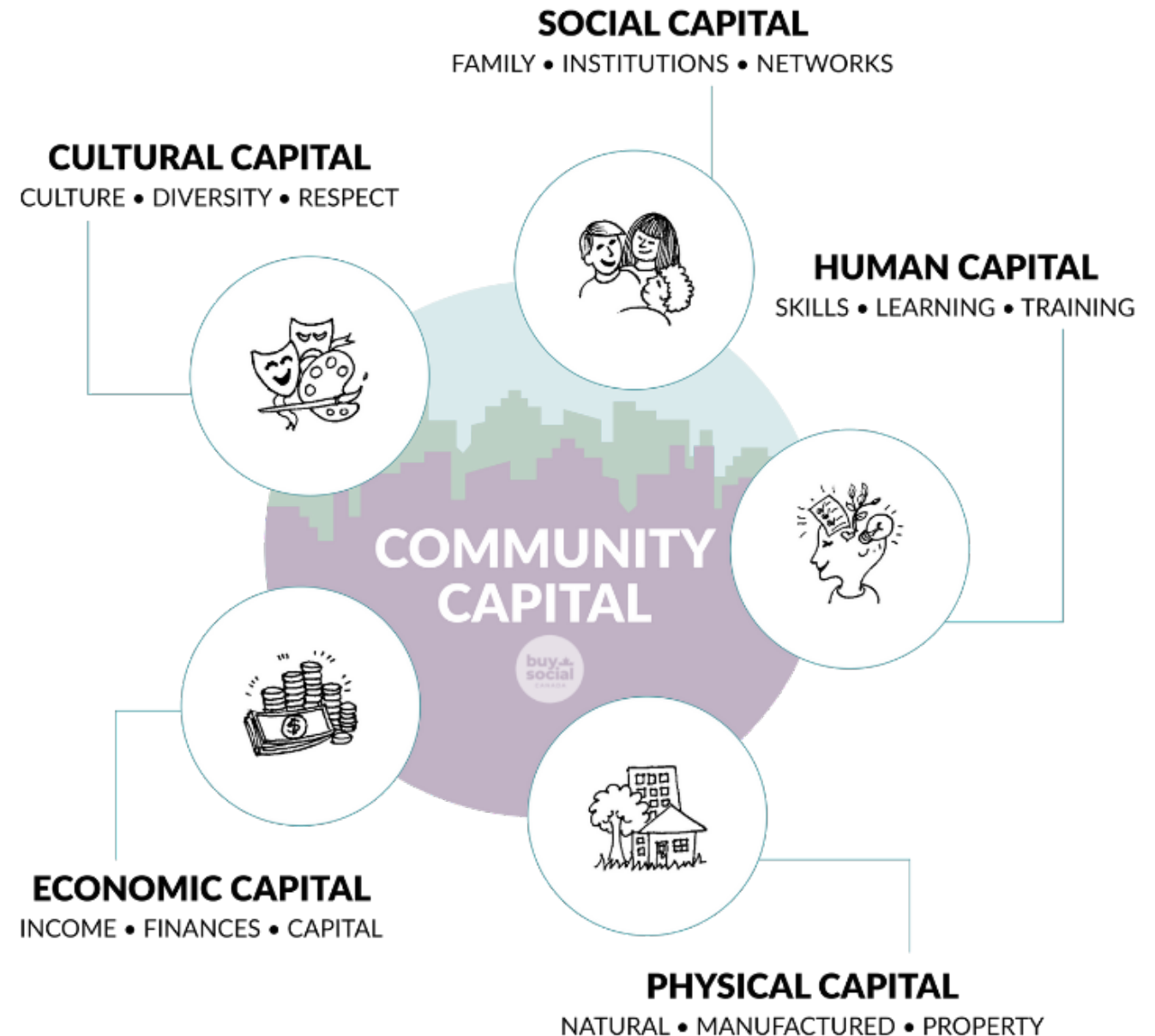
Social procurement seeks best value

Every purchase has an economic, environmental, cultural 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.

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



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’

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?”

What is possible?

Community social and economic development

For every dollar spent with a target group, the social return on investment is **~\$4.13**

Source: Atira Property
Management,
2017 Ernst and Young

Myth

Social procurement costs more

Fact

There is no evidence to support that claim

“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 means lower quality

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**

Social enterprise maximizes community capital

A social enterprise is a business

- It generates the majority of its revenue through the sale of goods and services

It has a defined social, cultural or environmental mission

- Embedded in its operation

The majority of profits are re-invested in the mission

- With no, or less than 50%, distribution to shareholders and owners

Goodly Foods and Fraser Health



Vancouver Friendship Centre Catering and New St Paul's Hospital



Myth

There aren't enough social enterprises

Fact

Suppliers are available if you use the concentric circle model

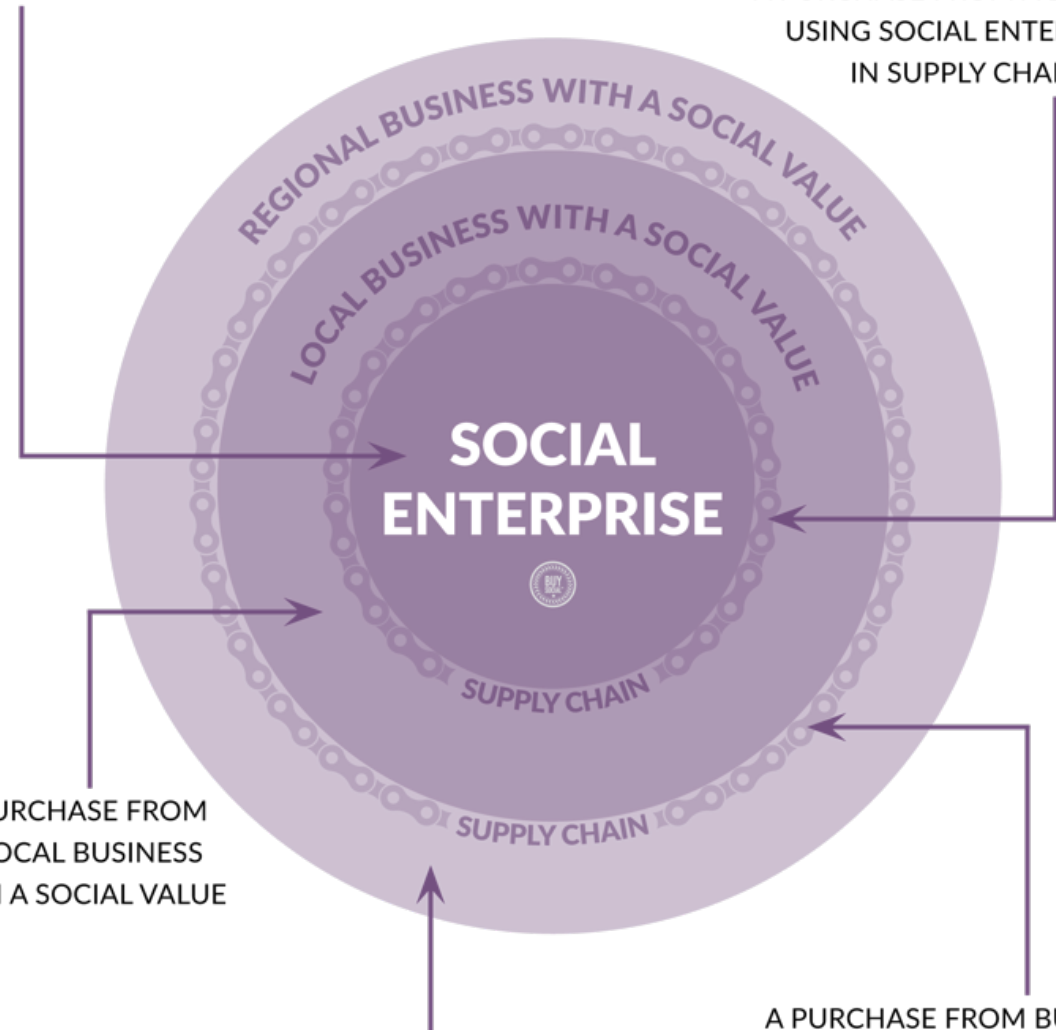
A PURCHASE FROM A SOCIAL ENTERPRISE

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



Examples of social procurement outcome goals



Economic
opportunity for
underrepresented
groups



Diverse suppliers,
social enterprises
and small
businesses

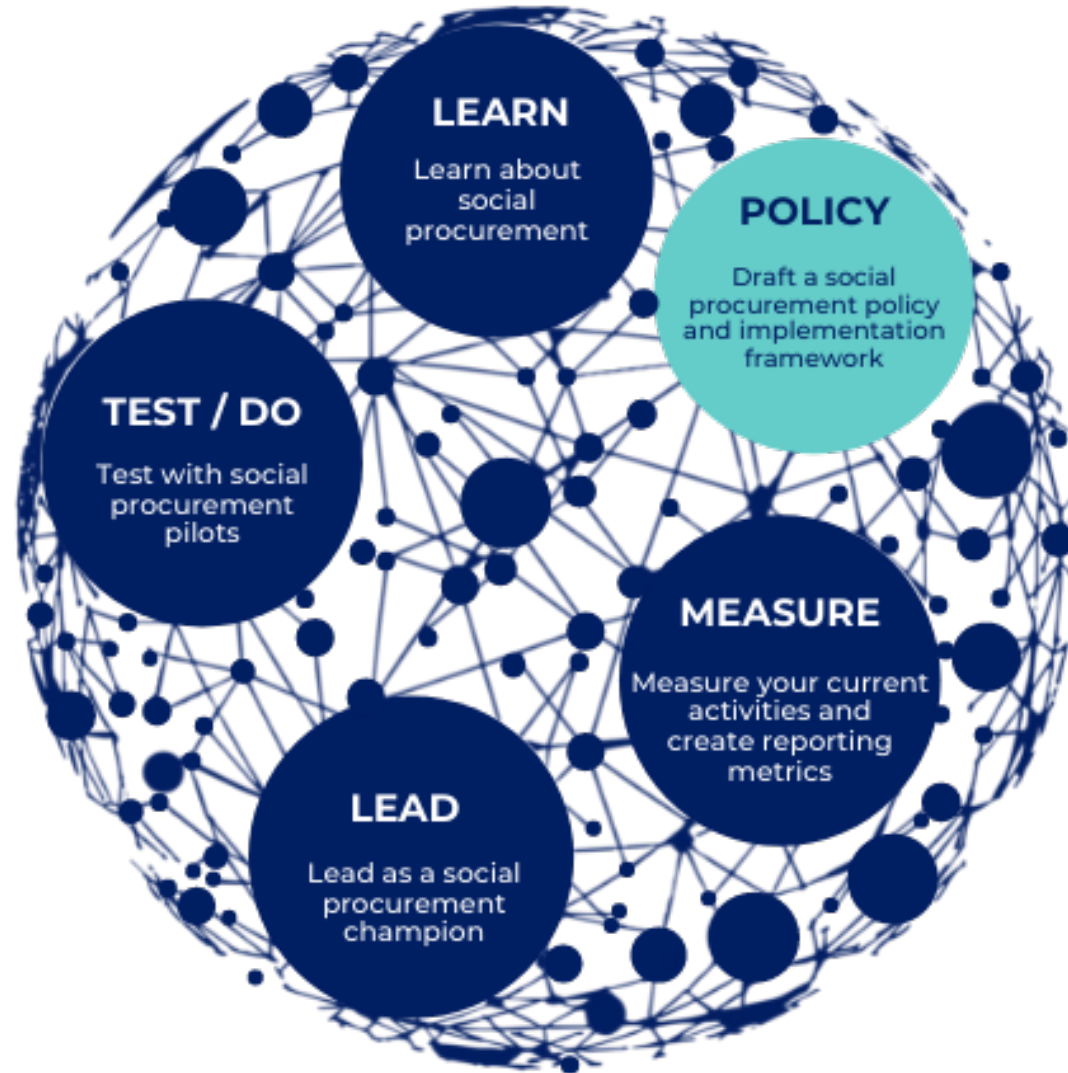


Socioeconomic
reconciliation
CTA #92



Grow our local food
system

Social procurement organization journey



From Strategic Goals to Policy

1. Define your objectives
2. Engage with internal and external stakeholders to align and affirm objectives
3. Add to or create a policy

District of Squamish

Extracts from Procurement Policy



POLICY NAME:	Procurement Policy		
APPROVING AUTHORITY:	☒ Legislative (Council approved) ☐ 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:

District of Squamish

Extracts from Procurement Policy



POLICY NAME:	Procurement Policy		
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POLICY

- Values Suppliers who demonstrate commitment to ethical sourcing and procurement practices, through corporate social procurement policies or certifications including but not limited to Fair Trade, Ocean Wise Seafood, CSA, Forest Stewardship Council, or organic certification;
- Supports Good Food Values as articulated in the Squamish to Lillooet Good Food Pledge and Program in the procurement of food for District operational needs or when leasing District space to operators of food concessions;

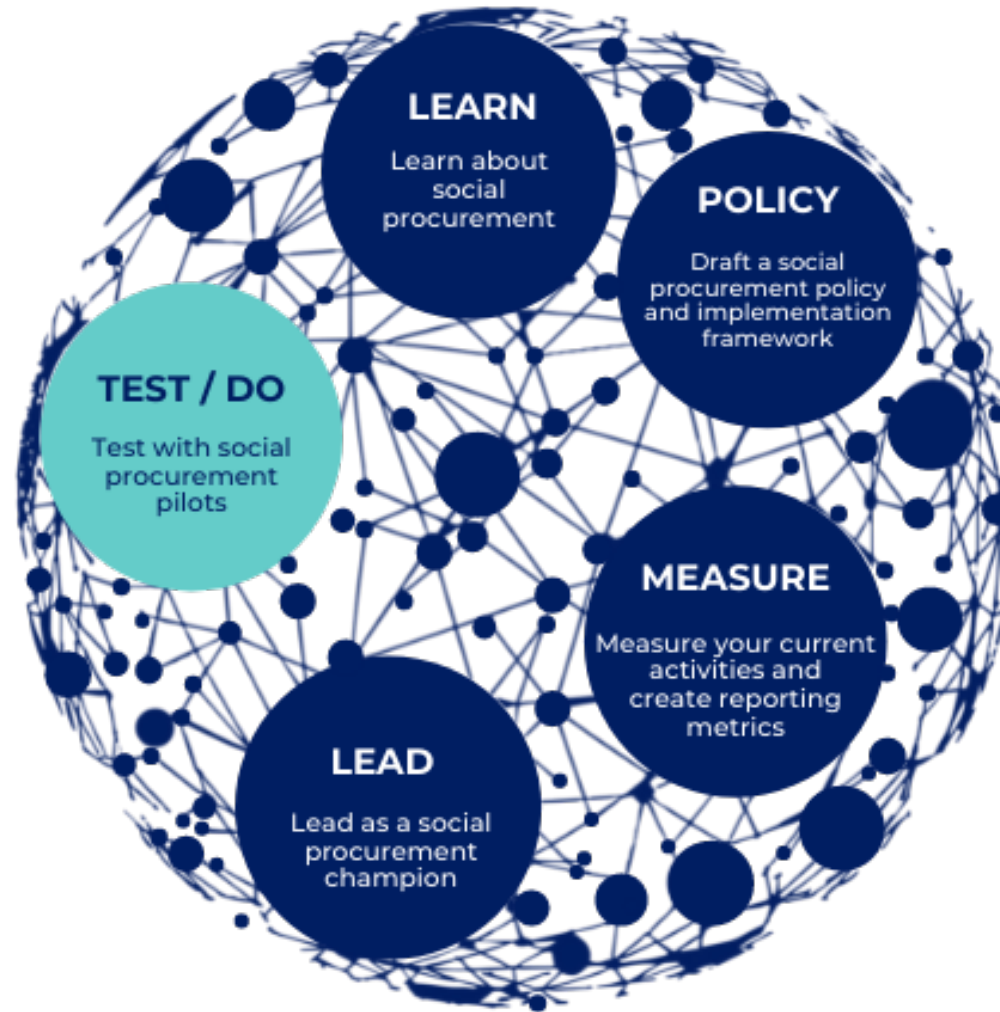


Group discussion

What are your organizational goals for food purchasing?



Social procurement organization journey



Strategy process and components

Design
Flow



Feedback



Strategic Goals			
{Insert community strategic goals here} {Insert community strategic goals here} {Insert community strategic goals here}			
Four Key Social Procurement Opportunity Areas			
Employment	Skills and Training	Social Value in the Supply Chain	Community Development
Social Value Objectives			
{Insert here}	{Insert here}	{Insert here}	{Insert here}
Social Procurement Tactics			
- Below threshold purchasing - Social Value Rfx Questionnaire - Community Benefit Agreements {Additional tactics}			
Reporting Metrics			
{Insert here}	{Insert here}	{Insert here}	{Insert here}

Tools to help implement social procurement



Social Value Menu

How to build in social procurement opportunities

- What are we going to buy?
- Who would be our usual supplier?
- How much would it cost?
- Which social value supplier and/or local business can I work with to maximize the social impact of our existing spend?

Feed BC



Tools

- Definitions of BC Food
- Minimum recommended targets
- Methodology for tracking
- Tracking and reporting template
- Contract and procurement report

BCSPI Purchasing Power Webinar

Attend for free!

**WEDNESDAY
NOV 24, 2021
12PM-1PM**

Purchasing Power

How can social procurement increase food security?



Heather O'Hara

Executive Director | BC
Farmers Markets



Jennifer Reynolds

Co-Executive Director | Nourish

BRITISH COLUMBIA
Social Procurement
INITIATIVE

Two concrete actions you can take

1. See who the suppliers are in your community, forge relationships with them, and find ways to bring their products into your institution. Feature producers in your area to staff or community, for example through lunch and learns, or CSA drop-offs. – Jennifer Reynolds, Co-Executive Director of Nourish
2. Change your menus to consider seasonality and how to incorporate local produce. Talk to farmers, make a call and find out what's possible. – Heather O'Hara, Executive Director of BC Farmers Markets,



Group discussion

**What could you do to start
creating shifts in your purchasing?**



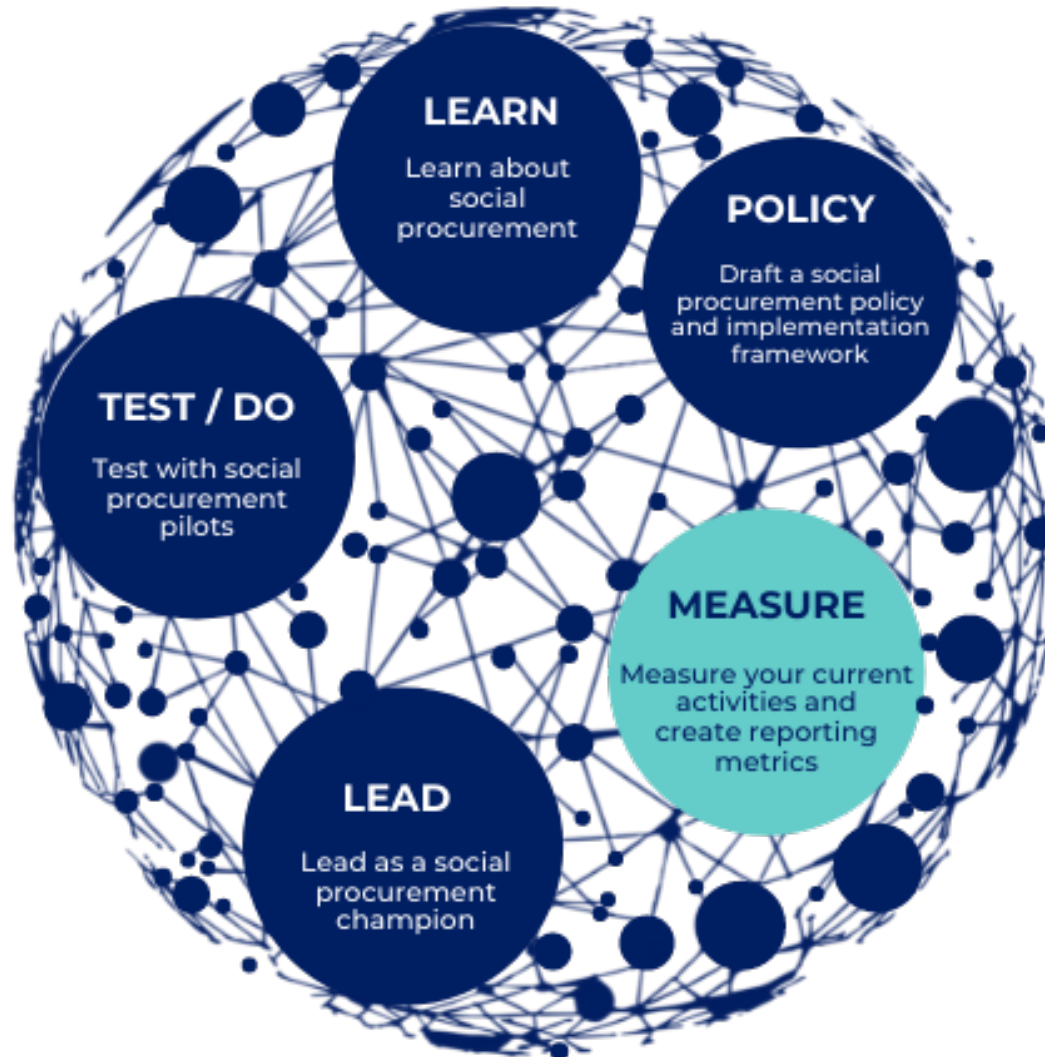
Strategy is a plan of action or policy designed to achieve a major or overall aim.

“Culture, eats strategy for breakfast.”

- Peter Drucker



Social procurement organization journey



Case Study

Vancouver CBA Policy

The Vancouver CBA policy activates when new development through rezoning is sized 45,000 m² or larger

Applies to Build and Operations of developments.

Local and targeted employment

- 10% of new jobs available to people in Vancouver first, specifically those who are equity-seeking (referred to in the policy as first source hiring)

Local and social purchasing

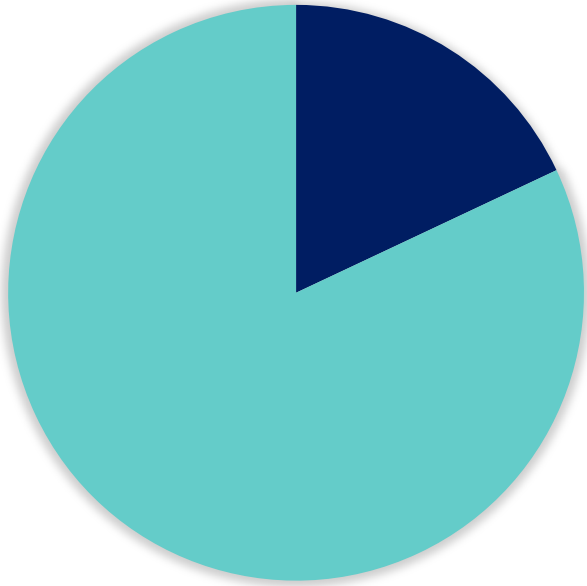
- 10% local procurement
- 10% social procurement

Case Study

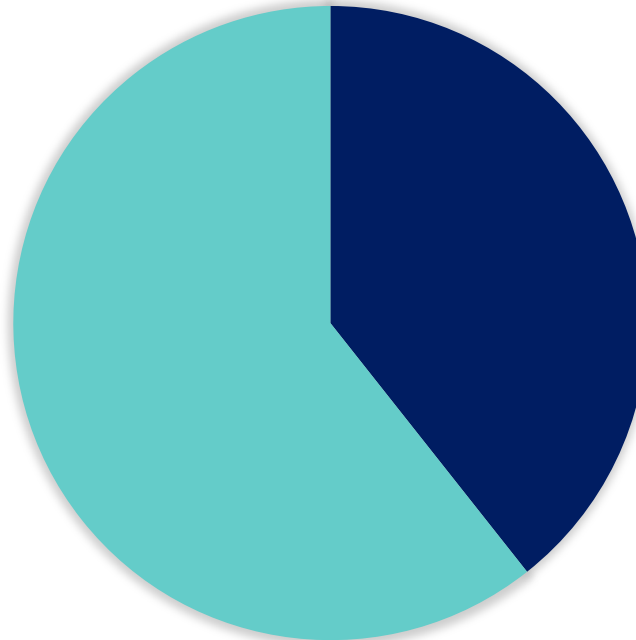
Vancouver CBA Policy

Data from April 2021 - April 2022

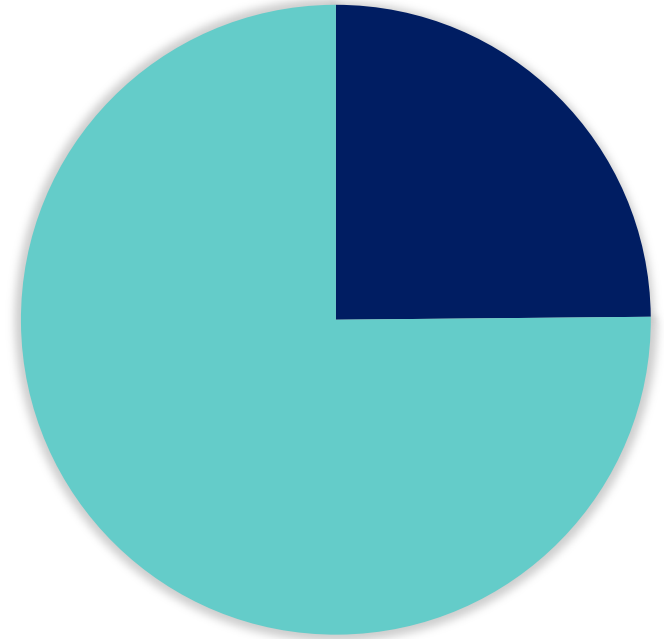
**18% OF NEW EMPLOYEES
FROM AN EQUITY-SEEKING
GROUP AND LOCAL**



**39% OF \$ SPENT ON
LOCAL PROCUREMENT**



**25% OF \$ SPENT ON
SOCIAL PROCUREMENT**





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

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

Social value metrics

Examples of social value metrics in an RFX and eventual contract:

- **# 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 small independent farmers
- **% of local food** used in contracts
- **Total # of hours** provided for employment and skills training
- Other **community benefits** or contributions

Diversity Food Services

University of Winnipeg



64% of all Diversity purchases were grown/fished/farmed/manufactured by local and community-based Winnipeg organizations, and/or were certified/verified sustainable by a 3rd party (Fairtrade, rainforest alliance, certified organic, etc.).

For every dollar spent at a Diversity location, **70 cents** is returned to the local economy as a result of procurement or employment practices

Social procurement organization journey



Myth

The social procurement journey is straightforward and linear

Fact

The social procurement journey is complex and iterative

The journey will require changes in policy, practice and culture and can have incredible impact in communities – it's worth it!

Register today

Social Procurement Professional Certificate Course

- Four 2-hour sessions
- Cohort based learning
- Custom worksheets and tools



Course outline

Session 1

Module 1: Fundamentals of Social Procurement

Module 2: Building Your Social Value Organization Through Your Supply Chain

Session 2

Module 3: Developing a Social Procurement Policy

Module 4: Construction and Social Procurement

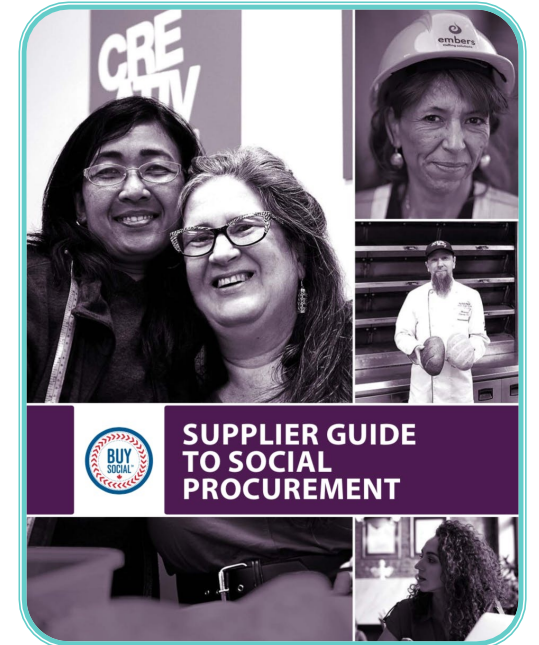
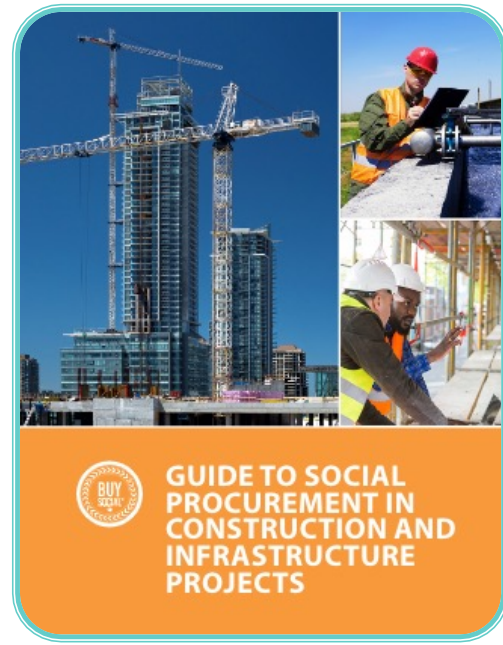
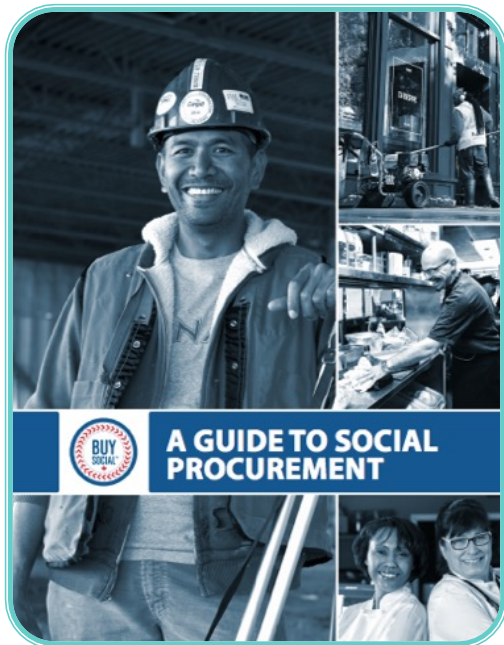
Session 3

Module 5: Implementing a Social Procurement Policy

Session 4

Module 6: Operationalizing Social Procurement

Tools and resources for social procurement



Available at www.buysocialcanada.com



Social Procurement Leaders

Support and services

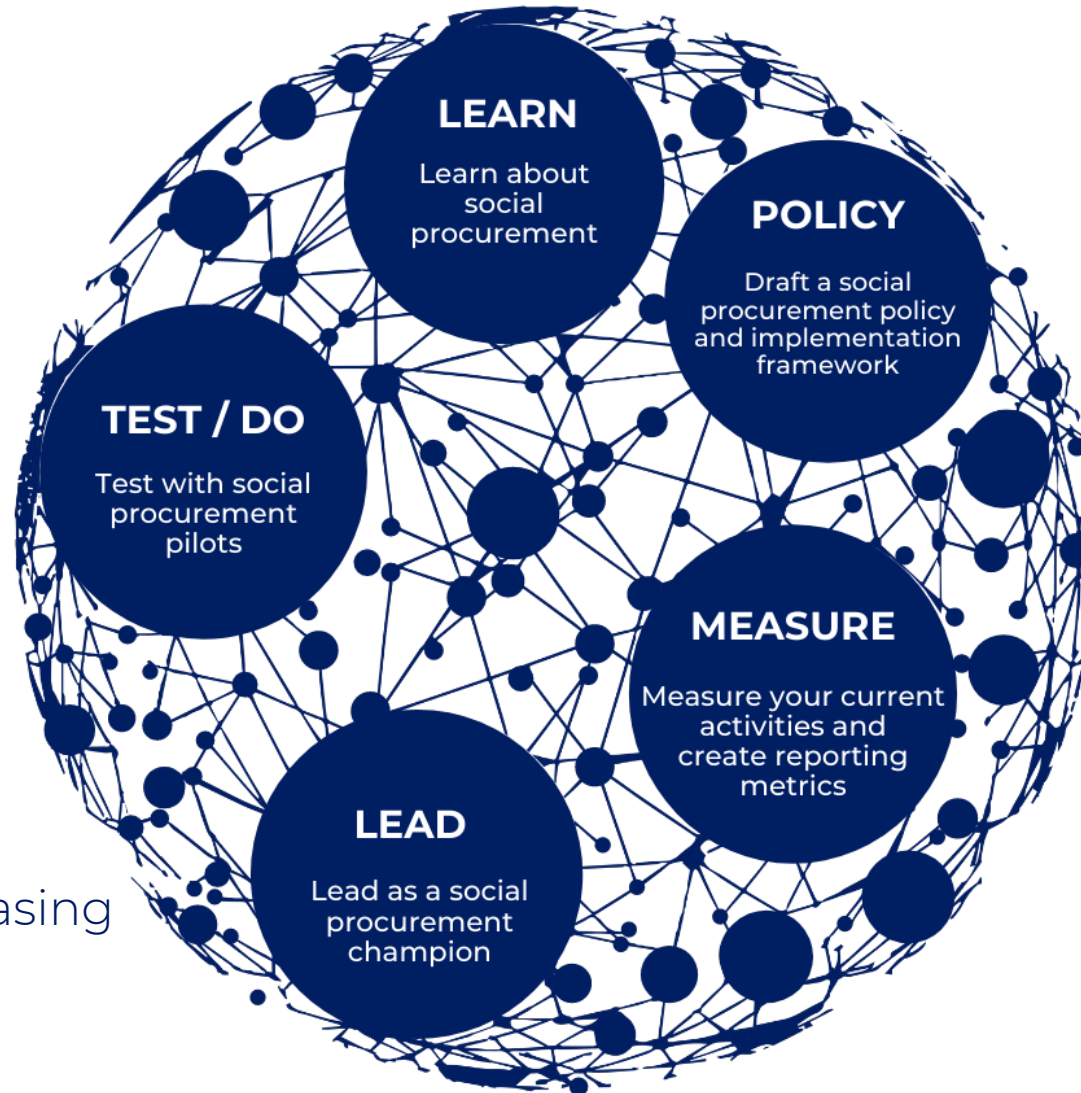
- Social Purchasing Partnerships
- Social Enterprise Certification
- Training
- Consulting
- Engagement
- Learning resources

The next steps on your journey

- Free learning guides
- Social Procurement Professional Certificate

- Find local food suppliers to purchase from

- Champion social procurement
- Become a Social Purchasing Partner



- Review current policy and define your strategic direction
- Create an implementation plan
- Do a supply chain audit to find your baseline



Check out

**What are your next steps to
incorporate social value and local
food into your purchasing?**





Thank you

Tori Williamson | Tori@BuySocialCanada.com