



Report for The City of Calgary

Social Procurement: State of Practice & Recommendations

RFP 18-1658

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1. Executive Summary

In response to the April 2018 Notice of Motion and in fulfillment of the Contract for RFP 18-1658 – Social Procurement State of Practice Reporting, Buy Social Canada and our collaborating partners¹ submit the following report to The City of Calgary.

What is Social Procurement

Social procurement is a means to leverage an added and intentional social value from existing procurement.

Report Objective

The City of Calgary will adopt and implement a social procurement policy to achieve the greatest value for taxpayers' dollars, including economic, environmental and social value.

Key Recommendations & Policy Framework

The City of Calgary will build upon its history of leadership and success in blending economic development and sustainable procurement by enhancing its current policy to include a social procurement component. The new policy framework will amend current policy to create SSEPP: Sustainable, Social, Ethical and Environmental Procurement Policy.

The social procurement policy is a means to further the goals of multiple City of Calgary local business, social, and community-focused policies, frameworks and strategies².

The updated SSEPP will focus on intentionally creating community impact outcomes by integrating a social value into procurement policy, practice and award decisions.

Implementation Process

The City of Calgary will initiate a three-year social procurement implementation strategy that will leverage a local social, economic and environmental value from existing procurement.

- The City will establish a SSEPP Advisory Task Force with representation of The City, local business, industry and community to support SSEPP design, implementation, and evaluation.
- The City will explore implementation options and initiate pilot projects to test and design the inclusion of more small, medium sized businesses and social enterprises into direct procurement opportunities and into the supply chain of major contractors.
- The City will use an outcomes-based measurement and reporting process aligned with existing City of Calgary policy, programs and strategies.

¹ REAP Business Association, Momentum, Goss Gilroy Inc. – See Appendix H for Descriptions.

² See below Section C: Background and Calgary Context and Appendix C

Across the procurement process the SSEPP policy will be descriptive in outcomes, not prescriptive in application to all procurement. The actual implementation of criteria and weighting will have to vary across the items purchased and type of service contracts based upon technical specifications, budget limits, and supplier availability.

- For instance, a landscaping, catering or building maintenance contract will have greater potential social weighting and consideration than perhaps the purchase of a complex engineering design contract or the purchase of vehicles.

Policy Outcomes

The key local economic and social issues that SSEPP will contribute to addressing are:

- Increased access to City contracts will contribute to a more diverse, stronger and more resilient small and medium sized and social enterprises business sector
- Greater economic opportunity and integration for historically marginalized groups
- Increased apprenticeship, work-experience, and entry-level opportunities in the trades and other career-track employment, especially for traditionally marginalized community members, i.e. Indigenous, women and immigrants.
- The City of Calgary will be better prepared to respond to Infrastructure Canada's recent requirement for Community Benefit Employment Agreements for infrastructure investments³.

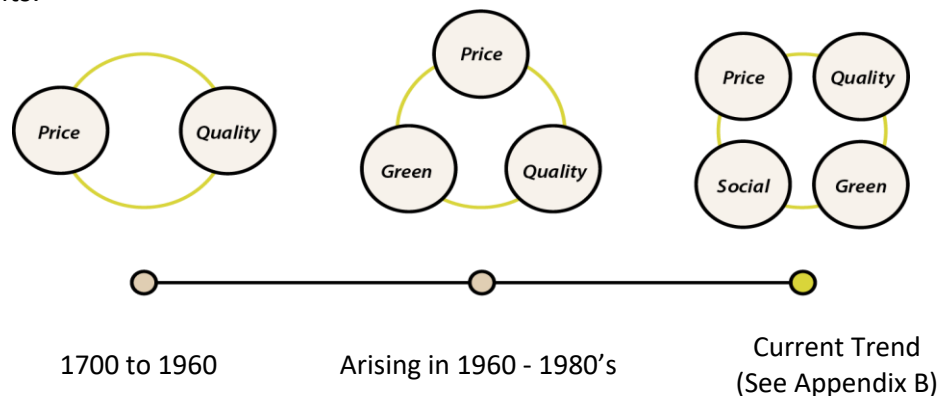
³ <https://www.infrastructure.gc.ca/prog/agreements-ententes/2018/2018-ab-eng.html>

2. What is Social Procurement

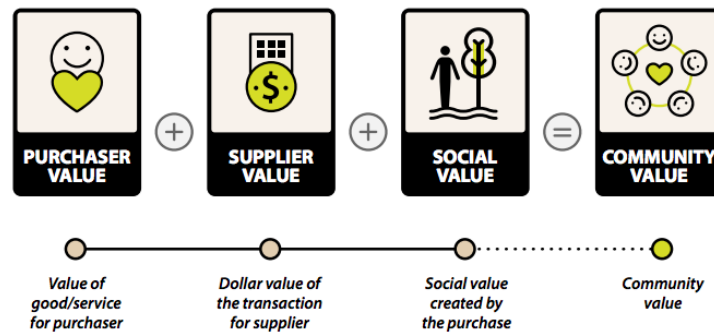
Introduction to Social Procurement

Every purchase has an economic, environmental and social impact, whether intended or not. Social procurement is about capturing those impacts and seeking to make intentional positive contributions to both the local economy and the overall vibrancy of the community.

Historically, procurement was about choosing the supplier offering the lowest price while still meeting technical requirements of providing high quality products or services at minimal risk. Social procurement is about “encouraging a shift towards procurement based on achieving multiple outcomes in addition to maximizing financial value.” It means using your procurement dollars to achieve overarching institutional, governmental, or individual goals such as environmental and social sustainability. Since 1969, procurement practices have evolved to include an environmental sustainability component, but in the last 15 years there has been a similar evolution to include a social value as well. Social procurement is not the disregard for price, quality and environment but rather it is the transition to and/or the addition of a social value alongside quality, price, and environment in existing procurement policy, practice, and measurements.



In the traditional procurement model, the value created is simply the economic value created by a mutually beneficial market transaction for both the buyer and seller. The purchaser receives value from the good or service procured from filling a purchasing need. The supplier receives value in the form of revenue. However, when we include a social value component in our supplier selection criteria, such as buying from a social enterprise, then the same market transaction creates additional value for the local community. Specifically, it creates value for three parties: the buyer, the seller, and the community.



From the adoption in 2002 of the initial environmental purchasing guidelines to the 2004 – 2008 development of the Sustainable Environmental & Ethical Procurement Policy (SEPP), Calgary has made a progression of significant policy decisions to intentionally leverage a community value from their existing purchases. These efforts and commitments were further confirmed in 2016 with The City’s participation in the global 100 Resilient Cities program.

The most recent iteration of this procurement policy evolution is the Social Procurement Motion of Council in April 2018, seeking a scoping report on social procurement. This motion is a continuation of Calgary’s leadership in the global trend toward social procurement.

The City of Calgary has been a leader in recognizing that its purchases have a ripple effect on the local economy, the environment and the social fabric of its neighbourhoods. In this action, Calgary is also aligning with the other major Canadian municipalities of Toronto, Montreal, and Vancouver who have recently adopted or are currently adopting similar and complementary social purchasing and Community Benefit Agreement⁴ policies and practices.

The adoption of a social procurement policy is timely in that it positions The City of Calgary to be prepared for the forthcoming social procurement and employment outcomes of the Community Employment Benefit requirements that may accompany federal and provincial infrastructure investments over the next ten years⁵.

In these current times of fluctuating international economic activities and changing trade agreements, adopting a social procurement policy is consistent with and supports the Calgary Resilient City goals of having “the capacity of individuals, communities, institutions, businesses,

⁴ Community Benefit Agreements, CBA, are legal agreements between government, developers / owners, and community stakeholders on achieving designed and mutual social, employment and procurement outcomes from major developments and infrastructure projects. www.buysocialcanada.com/guide

⁵ <https://www.canada.ca/en/office-infrastructure/news/2018/09/federal-provincial-and-territorial-infrastructure-ministers-working-together-to-build-stronger-communities-while-creating-jobs.html> and Bill C-344, currently pending before the Senate of Canada.

and systems within a city to survive, adapt, and grow no matter what kind of chronic stresses and acute shocks they experience⁶.”

“SEEPP not only promotes awareness of environmental and ethical issues, it also encourages supply chain practices that have a positive impact on social, economic and environmental sustainability. The City's SEEPP will be implemented in a phased approach and will gradually be applied to all City purchases⁷.”

The City of Calgary joins a group of municipalities, provinces, and countries in leading a trend of aligning purchasing practices with community objectives. A scan of these national and international social procurement trends, policies and implementation practices can be found in Appendix B.

Social Procurement & Trade Agreements

Social Procurement & Trade Agreements

The specific trade agreements that relate to The City of Calgary are the New West Partnership Trade Agreement, Canadian Free Trade Agreement (which replaced AIT last July) and Comprehensive Economic Trade Agreement between Canada and Europe.

- Trade agreements may establish parameters for the language you use and restrain the criteria you incorporate into your purchasing documents and processes, but it does not prohibit social procurement⁸.
- You cannot restrict competition to only local suppliers, but you can require community outcomes from all bidders.
- Trade agreements have exclusions for contracting with non-profit suppliers.
 - Toronto Housing uses this policy exemption to support employment opportunities

Trade agreements also allow exemptions for “legitimate public welfare objectives.”

- Manitoba Housing refers to this exemption in contracting with social enterprises that create employment opportunities for youth with barriers

There are certain exceptions to procurement under the NWPTA, including the following:

- Procurement of health and social services, and services provided by lawyers and notaries
- Purchases from philanthropic institutions, prison labour or persons with disabilities
- Purchases from a public body or non-profit organization

⁶ <http://www.calgary.ca/CS/Documents/ResilientCalgary/Calgary-PRA-100RC-Executive-Review-2018-03-08.pdf>

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⁷ <http://www.calgary.ca/cfod/finance/Pages/Policies/Sustainable-Environmental-and-Ethical-Procurement-Policy-SEEPP/Sustainable-Environmental-and-Ethical-Procurement-Policy-SEEPP.aspx>

⁸ https://ccednet-rcdec.ca/sites/ccednet-rcdec.ca/files/ccednet/ccednet-asiccc-primer_on_trade_agreements_for_social_purchasing.pdf

- Goods required to respond to an unforeseeable situation of urgency
- Goods intended for resale to the public

Canadian Free Trade Agreement includes the following exemption:

- Article 504 11 (i) (v) exempts procurement “from philanthropic institutions, non-profit organizations, prison labour, or natural persons with disabilities.”

Trade agreements also have financial thresholds, allowing low dollar value direct award procurement to bypass competitive tendering.

The NWPTA applies to municipal government procurement. It requires open and non-discriminatory procurement where the anticipated costs are at or above the following thresholds:

- \$75,000 or greater for goods and services
- \$200,000 or greater for construction

CETA

- Section 19.3.2 (d) Allows exemptions “relating to goods or services of persons with disabilities, of philanthropic institutions or of prison labour.”

It is worth noting that The City has to contemplate all trade agreements it is subject to and follow the one that is most liberal (open) towards trade.

3. Background & Calgary Context

Alignment with Municipal Policies, Plans & Strategies⁹

Over many years, The City of Calgary has engaged citizens, community organizations, and leaders in the business and non-profit sectors in an ongoing effort to realize a unifying vision of Calgary as a “great place to make a living, a great place to make a life.”

As early as 2002, City Council priorities included a commitment to creating and sustaining a vibrant, healthy, safe and caring community that works for all today and tomorrow. This commitment has been expressed through policies, plans and strategies including the Triple Bottom Line Policy Framework, the imagineCALGARY plan, and the 2020 Sustainability Direction. The City recognized the potential to achieve many of these objectives by leveraging its existing purchasing power with the adoption in 2008 of the Sustainable Environmental and Ethical Procurement Policy (SEEPP).

Ethical consideration in procurement examines items like the ‘ethical’ sourcing of materials in a supply chains and the labour practices of suppliers. It has generally been understood as to ‘do no harm’ through procurement. While a social procurement policy is understood to be a more proactive and intentional use of procurement to create opportunities to address social issues.

Over this same period, Calgary has experienced unprecedented growth, the worst economic downturn in a generation, and a slow and measured recovery. Certain challenges persist in our communities including poverty and income inequality, a limited supply of adequate and affordable housing, and barriers to employment and community integration experienced by many immigrants and Indigenous peoples.

Policy responses and strategies led by The City of Calgary and grounded in our communities show a willingness of Calgarians to address these issues. These include the Social Sustainability Framework, Calgary’s Corporate Affordable Housing Strategy, the Calgary Local Immigration Partnership, Enough for All Poverty Reduction Strategy, the Indigenous Policy and the development of a Gender Equity and Diversity Strategy, as well as a Social Wellbeing Policy.

In taking this next step to explore social procurement, The City is reaffirming its commitment to building a prosperous, well-run city that works for all Calgarians. The ability to build upon this foundation and potentially extend, enhance and integrate existing policy and practice is vital to the success of a social procurement process.

⁹ See Appendix C for Review of City of Calgary Social Policy

Resilient Calgary

Calgary's inclusion in the 100 Resilient Cities initiative also represents an exciting and timely opportunity to incorporate and coordinate efforts and initiatives already underway to address current challenges and build resilience for the future. The Preliminary Resilience Assessment identified several exploratory questions for which the strategic deployment of social procurement could provide some answers:

- With regard to economic resilience, what are the barriers to employment and economic participation for Calgarians and how can these barriers be best overcome, particularly for disadvantaged communities?
- With regard to inclusive leadership and decision-making, what are the economic arguments for reducing underemployment of diverse target populations and how can this benefit these populations and the city more widely?
- With regard to infrastructure resilience, how do we measure the value of infrastructure in enhancing quality of life and vibrant communities?
- How do we encourage a trusting environment that supports intentional risk-taking, innovation, and co-creation?

Specifically, the Preliminary Resilience Assessment indicated that The City has an obligation to help support our local economy in whatever way possible. The assessment also referenced that Calgary is faced with a changing labour market composition and needs to include more Indigenous peoples and people with disabilities. The report also highlights the value immigrants and newcomers bring to the local economy and workforce.

Social procurement offers a way to achieve these goals while enhancing the capacity of The City to create greater value for Calgarians. With the policy, practice and culture of The City already focused on building stronger communities, social procurement can be an important addition to the already existing City resources and processes. A social procurement policy will be designed to integrate and align with key policies, strategies and frameworks guiding the work of The City of Calgary in the coming years.

Calgary Community Issues

- In 2015, over 43,000 Calgarians earned income from employment greater than \$3,000 annually but did not earn enough to be above the Low-Income Measure¹⁰.
- Over a third of immigrants to Alberta have faced challenges finding employment that makes use of their qualifications due to difficulties in having their foreign education and work experience recognized¹¹.

¹⁰ <https://enoughforall.ca/wp-content/uploads/2018/05/Poverty-Snapshot-2018.pdf>

¹¹ Preliminary Resilience Assessment

- Demand for employment and training programs for people with low attachment to the workforce far outstrips supply. In 2017, Momentum, an organization offering self-employment training as well as pre-apprenticeship programs for a variety of skilled trades was able to accept just 20% and 10% of qualified applicants in each respective program stream¹².
- The employment and wage gaps between men and women in Calgary is persistently high with only 62% of women holding jobs (compared to 71% of men), while earning an average of 34% less than men¹³.
- Indicators of vulnerability, including prevalence of low-incomes, core housing need, and immigrant and / or visible minority status, are increasingly concentrating in specific areas of the city – most notably neighbourhoods in the northeast.
- Youth unemployment in Alberta was 13.2% in 2017, above the national average of 11.6%¹⁴. Only 38% of Calgarians agreed there were enough employment opportunities available for youth¹⁵.

Opportunities for Small Business

As part of our research, Buy Social Canada conducted an online supplier survey from September 25 - October 17, 2018 to gather feedback from social enterprises, non-profits and purpose-driven businesses that are the most likely suppliers with whom to achieve social benefits through goods and services purchase contracts. The survey sought to understand the extent to which these businesses are currently responding to City of Calgary contract opportunities as well as barriers to responding¹⁶.

In total, 78 responses were collected from a diverse group of stakeholders representing women, minority, Indigenous, disabled, LGBTQ+, cooperative and non-profit ownership models. Across 26 industries, 62% of respondents are working to advance outcomes for both people and planet through their business.

A social procurement policy will not solve all identified challenges, but a follow up survey in future years will assess possible progress on improving some identified issues to consider in future procurement process.

For instance, 86% of respondents had never responded to a government RFP, citing a lack of information about bid opportunities that are relevant to their business or that they don't know enough about the people, processes and policies to respond (87%), or that focus on lowest price makes government contract opportunities unprofitable for their business (18%). A

¹² Momentum's Trades Training and Self-Employment Programs: Data and Trends, 2008-2017. Unpublished, available upon request

¹³ <https://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2017/10/Best%20and%20Worst%20Places%20to%20Be%20a%20Woman%202017.pdf>

¹⁴ <https://work.alberta.ca/documents/labour-profile-youth.pdf>

¹⁵ https://issuu.com/communityfoundationsofcanada/docs/calgary_fdn_vital_signs

¹⁶ See Appendix C – Review of City of Calgary Social Policy

common barrier was that there is no guarantee of a return on their investment of time and money to submit a proposal.

Therefore, the respondents indicated that for them to be successful the following preconditions would need to exist:

- Efficient process for identifying bid opportunities through coordinating organization(s)
- Training on how to respond to RFXs
- Support in developing bid responses and/or coordinating supplier collaboration opportunities
- Reduction of risk, through preferred vendor status, that investment of time and money won't yield a positive result

According to interviews with key informants¹⁷, there is a potential role for business associations, Business Improvement Areas (BIAs) and/or Business Revitalization Zones (BRZs) to act as coordinators of supplier opportunities. For example, International Avenue BRZ has a long history of partnering closely with The City of Calgary and local business owners. It represents 435 businesses along the 17th Avenue SE business corridor. Many of the businesses are owned and operated by newcomers to Calgary and serve a diverse population representing one of Calgary's richest cultural areas and also most challenged economically.

International Avenue BRZ has played a coordinating role in responding to City contracts and coordinating local businesses to deliver goods or service. One such example is public arts along the Avenue. With an investment of \$1.2 million supporting redevelopment of the area. International Avenue BRZ issued an RFP for public arts with a specific criterion that only local artists with a connection to Greater Forest Lawn could respond. There were 26 public art opportunities identified and 74 local artists responded. This example demonstrates the value a BRZ or business association can bring to social procurement, adding efficiency for both The City of Calgary and local business owners and supporting creation in the community.

Major Findings from Interviews with Construction Sector Representatives

The representatives of the construction industry in Calgary who were interviewed as part of this project have not been directly involved in a procurement that incorporated social procurement elements. However, they are broadly familiar with the goals of social procurement programs, the fact that The City of Calgary (as well as Edmonton) is considering establishment of a social procurement program, policy or framework, and related initiatives that are underway at the federal government level (i.e. Bill C-344), the provincial level, and other jurisdictions (e.g. Vancouver, Toronto and Wood Buffalo).

¹⁷ See Appendix D for list of key informants

The industry representatives stressed that they will need an in-depth description of how the policy could be structured and implemented before they can provide more detailed feedback. That being said, the representatives did highlight a few major themes or issues about a possible policy or framework. These included:

The companies are committed to community and social development.

- Companies are generally supportive of the goals for social procurement. Many of the companies have initiatives designed to support or give back to their communities. For example, one of the companies has established a “Building a Better World,” which involves a series of monthly initiatives designed to support various charities and development organizations in the community.

The major concern is that introduction of social procurement criteria into the purchase decision could have a very negative impact on the purchase process and outcomes.

There is an expectation that social procurement would most likely be implemented by incorporating broadly defined purchase criteria related to social benefits. Companies would be expected to demonstrate how their proposal would generate social benefits (which could be defined in many ways). As such, the nature of those benefits could vary widely from one proposal to another. Their concerns are:

- Application of the criteria could be very subjective, which would negatively impact on transparency and the perceived fairness (and, perhaps, actual fairness) of the process. It could be very difficult to compare the relative merits of one proposal with those of another.
- Some companies would seek to game the system. The criteria would give a competitive advantage to those suppliers best able to sell The City on their social benefits, regardless of whether their benefits are actually superior to what would be generated by another supplier.
- Some organizations, such as larger construction companies, would likely be in a better position to address social benefits in their proposal than small construction companies.
- It is unclear as to whether either the contractor or the supplier is in a position to determine on what types of community benefits the procurement should focus. Social procurement could be an answer to problems that have not been defined.
- At its worst, social procurement could lead to significantly less qualified suppliers being selected.

There were comments that social procurement adds to the costs of development.

- The representatives indicated that social procurement is often positioned as a strategy that generates benefits for the community without taking on any additional costs. In the opinion of the industry, social procurement would either directly increase costs to

the purchaser (i.e. increased design, construction and monitoring costs) or require cost reductions in the infrastructure being designed and developed to offset the additional costs. Costs would also increase if the process resulted in higher cost suppliers being selected.

The representatives expressed a range of opinions regarding whether The City of Calgary should introduce a social procurement policy.

- Half of the industry representatives recommended that The City of Calgary not introduce social procurement while others were either tentatively in favour or wanted to hold off judgement until they could review the proposed policy.
- If it is to be introduced, it was suggested that many of the industry's concerns could be mitigated by incorporating objective criteria and standardized requirements into the pre-bid information and throughout the procurement process documentation.
- In its simplest form, that could involve introducing a levy on projects, similar to the Public Art Policy, which sets aside a certain percentage for social investment (i.e. in training, employment subsidies or development of local suppliers). Alternatively, the RFP could establish specific targets regarding the intended benefits (i.e. hire or train a certain number of residents); companies would not obtain additional points for proposing additional benefits.
- Any policy that increases the employment demand for particular target groups (i.e. vulnerable or under-represented populations) should be matched with initiatives that will increase the supply (i.e. funding for entry-level training or workplace supports).

Such strategies have been effective elsewhere in both creating jobs for local residents and increasing industry's access to labour. It was noted that Calgary's economic slowdown in the past few years eased labour shortages in the construction industry; however, as a result of the rebounding economy, an aging workforce, and emigration, shortages are expected to increase over the next few years which will create increased demand for joint training and employment programs.

In summary, the industry has concerns about the impact of introducing a social procurement policy. However, many of these concerns and the associated level of pushback on any policy could be mitigated by consulting closely with the industry (through working groups and industry associations) and working with them and others in developing processes that are transparent, fair and effective.

A recent op-ed piece¹⁸ in the Edmonton Journal reflects similar position of the building trades when discussing the potential use of Community Benefit Agreements to increase training and employment opportunities for the next generation of skilled trades workers, and to support local businesses and communities if executed appropriately.

¹⁸ <https://edmontonjournal.com/opinion/columnists/opinion-community-benefit-agreements-can-work-for-albertans>

Risk Assessment

Risk Identification	Level of Risk	Risk Treatment
Resistance from departments who may have, or may perceive to have, an additional work load to implement a new policy and procedures.	High	<p>Change management issue. Limiting breadth of implementation may be necessary. Three-year implementation process may support transition.</p> <p>Staff may identify implementation barriers that need addressing or program implementation adjustments.</p> <p>Recognition of cultural shift and new procedures will require Internal information sessions, training and engagement of department personnel will be required. Internal 'champions' should be identified and supported across business units.</p> <p>Outcome measurements shared across The City may support policy implementation.</p>
Existing vendors, suppliers and contractors may negatively view a new policy.	High	<p>Change management issue. This process has to be part of promoting an open, fair and transparent procurement process for local small and medium sized and social enterprise businesses. Monitoring of contract results required.</p> <p>Vendors, suppliers and contractors may identify implementation barriers that need addressing or program implementation adjustments.</p>
This policy will mean additional costs will be incurred by The City.	High	<p>Yes, there are expected start-up costs outlined below.</p> <p>This has to be a key issue that will be monitored and measured through design and pilot stage.</p> <p>Monitoring of 'true' costs of goods, services, and construction and assessing against the social value creation of new policy will allow true cost / benefit analysis.</p>

The new policy will slow down and complicates The City's procurement process.	Medium	Change management issue. Changes will require assessment of process and departmental training during pilot stages to create appropriate templates and processes. Program implementation timelines may be important.
The City's reputation as fiscally responsible municipality may be 'tarnished'. Consideration of The City's reputation if policy is not adopted.	Medium	Monitoring of the project media coverage and communications strategy will alert any issues. Being an early adopter of an effective social procurement strategy, which includes measuring and reporting on local social and economic outcomes, should strengthen The City's position of responsibility to using taxpayers' dollars in best possible way.
Loss of future Federal government infrastructure investments that require a social procurement or Community Benefit Agreement policy be in place.	Medium	A social procurement policy in place will prepare The City to engage with other levels of government on opportunities and negotiations for infrastructure.
Negative community impacts and related costs of social programs continue or rise in future years.	Medium	Monitor and measure. The experience from other jurisdictions is that a social procurement policy in place could contribute to lower social costs, through lower use of emergency services, less petty crime, and increased income for historically marginalized community members.
The construction industry (i.e. the construction associations), is wary of a social procurement policy.	Medium	The sector is not steadfast against having a policy, only against having a bad policy. The City can overcome this concern by building champions and working with them in developing a policy that is "transparent, fair, and effective."
Evolving penetration of on-line markets and AI procurement fulfillment may challenge market share for local small and medium sized businesses.	Low	Evolving issue to monitor. A social procurement policy in place may increase, or at minimum protect, the opportunities for local small businesses and social enterprise to compete for bids and engage as sub-contractors for Tier 1 contractors.
The City will be challenged for transgressing trade agreements.	Low	The City has to contemplate all trade agreements it is subject to and follow the one that is most liberal (open) towards trade. Other levels of government, including municipalities have used social procurement policy without trade agreement challenges. See page 5 above.

4. Implementation Strategy

Key Recommendations

The City of Calgary adopt a social procurement policy and strategy to create a Sustainable, Social, Ethical and Environmental Procurement Policy, SSEEPP, that will advance the utilization of existing procurement to create local social, economic and environmental value¹⁹.

The successful social procurement policy will integrate a social value into the existing SEEPP procurement process.

Recognizing the progress of the existing SEEPP to date, the emphasis of this next phase, SSEEPP, will focus on intentionally creating a community impact outcome by including a defined social value into purchasing policy, practice and award decisions.

Across the procurement process a SSEEPP policy will be descriptive in outcomes, not prescriptive in application to all procurement. The actual implementation of criteria and weighting will have to vary across the items purchased and type of service contracts based upon technical specifications, budget limits, and supplier availability. For instance, a landscaping, catering or building maintenance contract will have greater potential social weighting and consideration than the purchase of a complex engineering design contract or the purchase of vehicles.

The City of Calgary will initiate a three-year social procurement implementation strategy that will leverage a local social, economic and environmental value from existing procurement.

- The City will establish a SSEEPP Advisory Task Force with representation of The City, local business, industry and community to support SSEEPP design, implementation, and evaluation.
- The City will explore implementation options and initiate pilot projects to test and design the inclusion of more small, medium sized businesses and social enterprises into direct procurement opportunities and into the supply chain of major contractors.
- The City will use an outcomes-based measurement and reporting process aligned with existing City of Calgary policy, programs and strategies.

The recommendations suggest using a staged implementation process that will eventually include all construction and consulting contracts, which are currently outside of the scope of the current SEEPP policy. An eventual full integration will simplify and clarify the entire process for both the purchasers and the suppliers engaged with City procurement.

¹⁹ Ethical procurement is used to refer to a 'do no harm' policy approach; Social procurement is used to refer to an intentional 'create opportunities' approach.

Stakeholder Engagement Recommendations

To ensure that SSEEPP can achieve the designated and intended local social, environmental and economic value objectives, the enhanced policy design should begin with establishing a multi-sector SSEEPP Advisory Task Force with defined timelines and benchmarks.

The Advisory Task Force is a formal process for external stakeholder engagement throughout the design, pilot, development and evaluation process. A defined process for advice and feedback will support a less controversial transition and more effective process.

Recommend Advisory Task Force meet quarterly with semi-annual progress reports to Council.

Potential Task Force Members:

- Director of Supply Management - Co-Chair and Secretariat
- Director of Resilience and Infrastructure Calgary
- Director of Calgary Neighbourhoods
- Representative from Environmental and Safety Management
- Representative from Facility Management
- Office of Partnerships Representation, Anchor Institutions, Universities, Hospital, Calgary Board of Education, etc.
- City Corporations: Attainable Homes Calgary Corporation, Calgary Arts Development, Calgary Economic Development, Calgary Housing Company, Calgary Municipal Land Corporation, Calgary Technologies
- Major Supplier Representation: construction industry, goods and services
- Small Business and Social Enterprise Representation: BIAs and BRZs
- Community Representation: social services, employment developers, environmentalists

The SSEEPP Advisory Task Force will:

- Support and monitor integration into existing City of Calgary social objectives: Calgary's Resilience Strategy (under development), imagineCALGARY, Enough for All, etc.
- Inform City staff with stakeholder value and process issues
- Support mitigation of supplier and construction sector fears and perceived barriers
- Build relationships between suppliers and purchasers
- Identify social issues and measurable benchmarks for success consistent with existing City policy
- Identify 'low hanging fruit' and pilot project opportunities

Internal City departments will need to be provided with learning sessions and social procurement guidelines to effectively contribute to the program design, implementation and success.

Internal Stakeholders will have the capacity to:

- Identify key procurement opportunities from both the purchasing side and supply side
- Access internal learning and training opportunities
- Identify 'low hanging fruit' purchasing items and services within the existing annual expenditures of more than \$2 billion
- Engage and identify social procurement opportunities through Calgary Housing Company (CHC) which is a wholly-owned subsidiary of The City of Calgary with a mandate to manage approximately 10,000 housing units and programs with approximately \$100 million allocated to providing affordable housing options
- Attainable Homes Calgary Corporation (AHCC) is a non-profit social enterprise and wholly owned subsidiary of The City of Calgary, which may offer pilot project opportunities
- Examine contract opportunities emerging over next 1-5 years allowing potential proponents to prepare to bid successfully
- Work with major contractors and suppliers, Tier 1, to identify sub-contracting opportunities
- Work with social enterprises and small and medium businesses to identify capacity matching opportunities through a supplier capacity analysis

Opportunity Identification & Pilot Project Recommendations

A three-year progressive work plan for implementation will review, assess and adopt appropriate social procurement policy and practice options.

Pilot Projects to be Completed & Evaluated

Pilot an RFP in the service industry that exemplifies a fit for social procurement.

- Examples: catering, landscaping, packaging, fulfillment, etc.

Pilot a formal request process, RFx, in the construction industry that exemplifies a fit for social procurement.

- Example: Calgary Housing Company building repairs, renovations, and apartment turnovers

Identify and prepare a list of prequalified social value suppliers that provide low dollar procurement opportunities directly for Business Units.

- Example: Catering, couriers, temporary help, etc.

Pilot a purchasing process using the trade agreement exceptions to procure for time limited or specific tendering opportunities.

- Example: Temporary staff support for major events, gifts for visitors

Considerations for Potential Policy & Practice

Adjust the criteria requirements in all bid request documents to include social value considerations

- Weighting range dependent upon type of purchase
 - Example: Catering, landscaping, maintenance services versus vehicles or technical equipment

Increase supplier participation by revising supplier qualification and any preferred vendor process and requirements

- Simplify process and provide 'coaching' to increase awareness and participation by local businesses and social enterprises

Ensure the procurement process matches purchase quality, pricing and size of contract

- Short and simple whenever appropriate
- Identify commodities or services that could be purchased in smaller quantities, without disrupting costing or trade agreement principles
- Provide regular information and training sessions for current and potential suppliers

Redesign applicable purchasing policy, processes, selection and weighting criteria, and reporting by considering the following opportunities:

- Utilize trade agreement financial threshold opportunities to do small item purchasing:
- Examine historical purchases under the \$25,000 amount (Catering, printing, couriers, event supports, etc.)

Identify and work with potential social value suppliers to meet these purchasing needs

- Utilize the trade agreement exemptions that meet the "legitimate public welfare objectives"
 - Particularly in Calgary Housing initiatives to work with employment opportunities for residents, i.e.
 - Apartment and Unit refurbishing
 - Interior and exterior maintenance

Utilize trade agreement supplier exemption opportunities for non-profits and disability employers especially in creating entry level, transitional and targeted employment opportunities

- Calgary Housing initiatives to work with employment opportunities for residents, i.e.
 - Apartment and unit refurbishing
 - Interior and exterior maintenance
 - Social enterprises operated by charities and non-profits
 - Catering, cleaning, maintenance, recycling, etc.

Provide advance information on pending contract opportunities

- Minimum one-year notice will allow smaller suppliers time to plan, collaborate, or work with Tier 1 or Tier 2 contractors

Provide learning events and engagement activities

- Internal cross-department information sharing and training
- External cross-sector supplier and purchaser events

Encourage major suppliers, construction industry contractors to implement social procurement in their supply chain

- Include social value into large bid requirements
- Establish the % of social value is determined by scope and type of work
- Host trade shows for large contractors to meet social value suppliers

Outcomes-Based Measurement Recommendations

A major task of the implementation process is to create the appropriate goals, the measurement criteria, and the reporting methodology based upon and furthering existing policies, programs and strategies.

The measurement and reporting process should be simple, effective, and purposeful.

Drawing from the existing policy, programs and strategies, some of the key social issues that SSEEPP will strive to achieve are:

- A more viable, diverse and resilient small and medium sized business ecosystem through:
 - Increased market opportunities for smaller businesses and social enterprises²⁰
 - Increased knowledge of and opportunities to access City procurement
- Greater economic opportunity and integration for historically marginalized groups through:
 - Increased supplier diversity, such as Indigenous, immigrant, and women-owned businesses and social enterprises
 - Targeted training and employment opportunities for persons with barriers to employment
 - Increased access to City contracts for social enterprises

²⁰ Social enterprises are businesses with a social, cultural or environmental purpose; they prioritize community and stakeholder value over shareholder returns, reinvesting the majority of profits into social outcomes; many local social enterprises focus on employment for persons with barriers, youth, immigrants and Indigenous communities.

- Flexible and supportive employee benefits programs that improve financial literacy, wellness and resilience
- Apprenticeship, work-experience, and entry-level opportunities in the trades and other career-track employment, especially for traditionally marginalized community members, i.e. Indigenous, women and immigrants

In order to achieve the community-identified social value, the enhanced social procurement process will focus on and be measured against the following objectives:

- Increased access to contracts from The City procurement for small and medium sized businesses and social enterprises that demonstrate social value outcomes
- Increased opportunities for small businesses and social enterprises to access sub-contracting through enhanced relationships with The City's prime contractors
- Support for capacity building for small and medium sized businesses and social enterprises to be prepared to participate in sub-contract supply opportunities and Community Benefit Agreements
- The City of Calgary is better prepared to respond to recent Infrastructure Canada Community Benefit Employment Provincial Agreement requirements

An integral aspect of the design of the SSEEPP is to have annual reporting of the economic, employment and social value outcomes. Tracking and reporting systems will be based upon collecting existing data:

- The number and financial value of contracts maintained with local businesses and social enterprises
- The number and financial value of new contracts awarded to local businesses and social enterprises
- The number of targeted employment positions filled
- The number and financial value of supplier sub-contracts
- The number of apprenticeships and training positions created and completed
- Increased knowledge of procurement process for small businesses
- Increased knowledge from City staff on how to create social benefit through purchasing
- Increased number of small businesses responding to procurement opportunities

Initiate social value and financial measurements criteria, collect data, and share findings on identified objectives, i.e.:

- Number and dollar value of jobs created for targeted marginalized groups
- A count of equivalent Full Time Employees per contract, reported by supplier
- Amount of payroll to targeted employees, reported by supplier
- Contracts directed to or won by diverse suppliers and social enterprises
- Number of contracts awarded that have a social value component, reported by The City
- Dollar Value of Contracts that have a social value component, reported by The City

Assess annual City purchasing percentage awarded to small and medium sized businesses

- Assess by postal code

- Assess by business sector

Economic multipliers and employment based social return on investment proxies will be applied when preparing the annual reports.

The measurement process will be under the Supply Management Director and Resilience and Infrastructure Director

- Cross department engagement and training will be essential for success
 - Need to clarify accountabilities and expectations for reporting

Continuous Implementation Improvement

Assess internal implementation progress using an annual updated SSEEPP leadership questionnaire to evaluate social procurement progress toward the goals identified by the Task Force.

Incorporate language into selected RFx documents that promotes the self-reporting and engagement by suppliers that participate in social value adding activities.

Based the semi-annual reports from the Task Force and other feedback from stakeholders on the progress toward the desired social procurement outcomes, incorporate and test new evaluation criteria into procurement documents aimed to achieve those goals.

Proposed Budget & Resource Allocation

Purpose	Resources	Project Cost	Three Year Allocation
Secretariat for Advisory Committee	City Staff Position 50% FTE	\$75,000 Annually	\$225,000
Support for Advisory Committee	Facilitation Hospitality	\$50,000 Annually	\$150,000
Outcome Analysis	Measurement	\$20,000 Annually	\$60,000
Internal Staff Training	Trainers	\$15,000 Year 1 \$10,000 Year 2	\$25,000
Supplier Purchaser Engagement Events	Event Coordination Hospitality, Space	\$15,000	\$45,000
		Total	\$505,000

Contributing cash and in-kind resources to support the policy development, pilot programs and measurement process may be available from other levels of government, foundations, and Resilient City partners.

5. Leveraging Future Opportunities

Imagine a city-wide shared ambition, across multiple sectors, to leverage existing procurement to solve the city's major social issues? What if we could include the purchasing of the anchor institutions like the city's ten hospitals and five public post-secondary institutions. Add in the major non-profit and charitable organizations' buying power; and move the dial on the private sector's social purchasing.

The City of Calgary's leadership through the implementation of SSEEPP will build the foundation and influence the future of social procurement activity across the entire city's private and community sectors.

The SSEEPP policy has the potential to play a significant role in contributing to the creation of a healthy, sustainable and resilient city.

Appendices

Appendix A: Methodology

Phase 1: Workplan Development	Meet with Supply Management Business Unit
	Develop detailed work plan
	Have workplan approved
	Meet with Calgary staff prior to development
	Schedule to meet with Calgary staff throughout development
Phase 2: Research & Review	Review of Calgary's existing policy and programs
	Jurisdiction scan of social procurement practice and policy
	Review of international and interprovincial trade agreements
	Review of relevant federal/provincial legislation
	Develop and disseminate Calgary small business and social enterprise survey
	Conduct interviews with construction industry key informants and other community stakeholders (see tables below)
Phase 3: Analysis	Policy analysis of potential benefits
	Legal risk analysis (trade agreements)
	Political risk analysis
	Economic risk analysis
	Reputational risk analysis

Phase 4: Recommendations	Recommended key objectives
	Recommended framework and language
	Recommended strategy for measuring outcomes
	Review of fit and integration into existing City policies
Phase 5: Writing the Report	Draft final report based on above research and analyses and submit to The City
	Review feedback from The City
	Revise report accordingly
	Iterative revisions and feedback
	Submit final report
	Present report findings to The City
	Present report findings to City Council

Appendix B: Review of Social Procurement Policy & Models

Entity	Project / Pilot	Community Benefit Objective	Procurement Process applied	Outcome achieved?
Toronto Community Benefits Network & Metrolinx ²¹	Construction of transit infrastructure	Crosslinx Transit Solutions wins competitive tender for Metrolinx Eglinton Crosstown Light Rapid Transit Infrastructure. Their proposal included a plan to include procurement from local and social enterprises and employment, training and apprenticeship opportunities for local residents. Crosslinx works with Social Purchasing Project (SPP) which creates a pre-qualified list of social enterprises to meet the current and anticipated procurement needs for the infrastructure project. SPP also works with local/social enterprises to build business capacity (through scaling up, improving quality and delivery dates, and offering the right goods/services) to be able to meet these procurement needs.	Policy framework: Community Benefits Framework (2014)	As of December 2017: Apprentices Hired = 41 Professional Administrative Technical Positions Filled = 106 Value of Contracts Paid out to Social Enterprises = \$143,210 <ul style="list-style-type: none"> • A-Way – 14% • Eva's – 17% • Building Up – 26% • Steps – 32%
City of Toronto ²²	Social Procurement Program	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. The policy applies to City of Toronto competitive purchases	Development of municipal policy	Examples: Regent Park Revitalization, which employed over 570 local residents Development of 1652 Keele Street Hub where 10 local youth were hired as apprentices to build a youth centre

²¹ http://www.communitybenefits.ca/eglinton_crosstown_community_benefits_program
https://www.buysocialcanada.com/s/Evas_CaseStudy.pdf

²² <https://www.toronto.ca/business-economy/doing-business-with-the-city/social-procurement-program/>

		above \$3,000 except as set out in the policy. Suppliers must be certified by a non-profit.		
City of Saskatoon ²³	New purchasing policy (December 2018)	Developed November 2018 for adoption December 2018: The new policy emphasizes best value rather than lowest price in the procurement of goods/services, which may include addressing economic, social, and/or environmental sustainability. The City of Saskatoon is undertaking further consultation to determine how to incorporate indigenous and social procurement.	Development of a municipal procurement policy	TBD
City of Montreal ²⁴	A pilot project facilitating relationships between 27 social economy enterprises and 7 major public institutions	Implemented by Conseil d'économie sociale de l'île de Montréal, the project spans over two years to encourage procurement by MUSH from social enterprises. Supports and training are provided for social enterprises. Public institutions are mobilized both politically and administratively. Networking between social economy enterprises and major public and private institutions is facilitated.	Program framework: l'Economie sociale – j'achete! (2013-2015)	The project has signed more than 200 contracts, valuing \$2.5 million Number of participating has increased from 7 to 19 institutions
City of Vancouver ²⁵	Construction and operation of casino and hotel resort	A Vancouver casino applied to move its operations and build an expanded urban resort and casino, including two hotels and eight restaurants. The "Inner-City Local Employment and Procurement Agreement" is put into effect—10% of wages must go to local hires, and 10% of materials	Negotiated Community Benefit Agreement	During construction, over 20% of construction labour was local and 11.7% of materials were procured locally During operation, local procurement is currently 23%

²³ https://www.saskatoon.ca/sites/default/files/documents/asset-financial-management/finance-supply/attach_1_-_summary_of_new_purchase_policy.pdf

²⁴ https://static1.squarespace.com/static/58530be0579fb3e60fd6b1a4/t/5a5d30aae4966b7d9b23d2f7/1516056754699/OCH_report_EN.pdf

²⁵ https://static1.squarespace.com/static/58530be0579fb3e60fd6b1a4/t/5b048902758d46ffe3011347/1527023887514/EMBERS_report_EN.pdf

		procured must be local purchases, as a condition of City approval.		
City of Vancouver ²⁶	Development of CBA Policy	Because of success of casino pilot project, Vancouver City Council adopts Community Benefit Agreement Policy for large scale sites over 45,000 m ² Requirements: 10% local hiring and 10% local procurement	Municipal policy	TBD
Manitoba Housing ²⁷	Social Housing Unit turnover	Targeted people with barriers to employment. Manitoba Housing started as a pilot project to contract energy retrofits in its units to social enterprises and evolved into the contracting of six social enterprises to do unit turnover renovations. A co-creation process with CCEDNet, a national association of organizations and people committed to community economic development, resulted in the Social Enterprise Strategy and a doubling of the social procurement commitment from \$5 million to \$10 million over three years. MH signed memoranda of understanding with these six social enterprises, formalizing the relationship and authorizing MH to directly award to them. A team of five within MH was formed that acted as an intermediary between the social enterprises and the operations staff within MH. The future intent is to increase the volume of trade and spread the process to other governmental departments.	Non-profit exemption – direct awards	An evaluation of the social procurement pilot project was conducted, finding that for every dollar invested \$2.23 of social and economic value was created.
BC Housing	Junk removal	Employment for persons with barriers	RFP language for social value,	11 jobs added capacity for social enterprise

²⁶ <https://vancouver.ca/people-programs/community-benefit-agreements.aspx>

²⁷ https://static1.squarespace.com/static/58530be0579fb3e60fd6b1a4/t/5a5d290ce4966b7d9b221fd4/1516054805353/MH_report_EN.pdf

			competitive bid process	
Ottawa Housing ²⁸	Lawn maintenance and landscaping; initially a pilot project, then competitive bid	Ottawa Housing hires a social enterprise landscaper for several of their properties, creating employment for social housing residents with barriers.	Added a 'value-added social enterprise' component to procurement policy by equally weighting financial and social value	Good Nature Groundskeeping gained a 3-year contract with OCH and added the social value to OCH's supply chain that they were seeking.
Federal Government of Canada ²⁹	Procurement Strategy for Aboriginal Business (PSAB) – Set-Asides	<p>The PSAB targets more than 37,000 Aboriginal-owned businesses, inclusive of sole proprietorships, limited companies, co-operatives, partnerships, and not-for-profit organizations. To qualify, more than 50% of the firm must be owned and controlled by Aboriginal people and at least one-third of the employees must be Aboriginal (for firms of 6+ full-time employees). Joint ventures are permitted, provided it meets the above criteria and must demonstrate for the duration of the contract that 33 percent of the value of the work will be performed by the Aboriginal business.</p> <p>The PSAB applies for contracts over \$5000 that primarily serve Aboriginal populations and encourages voluntary participation for other procurement opportunities whenever practical. These voluntary opportunities include encouraging existing contractors to subcontract to Aboriginal</p>	<p>Federal Framework for Aboriginal Economic Development (2009) & Trade Agreement Exemption</p> <p>The Agreement on Internal Trade (AIT) does not apply to any measure adopted or maintained with respect to Aboriginal people. It does not affect existing Aboriginal or treaty rights of any of the Aboriginal peoples of Canada under Section 35 of the Constitution Act, 1982. The International Trade Agreements allow for exemptions from their provisions for</p>	Since its establishment in 1996, more than \$3.3 billion over 100,000 contracts have been awarded to Aboriginal businesses.

²⁸ https://static1.squarespace.com/static/58530be0579fb3e60fd6b1a4/t/5a5d30aae4966b7d9b23d2f7/1516056754699/OCH_report_EN.pdf

²⁹ <https://www.aadnc-aandc.gc.ca/eng/1354798736570/1354798836012>

		businesses, as allowed by international trade agreements. All contracts are still awarded on a competitive basis, but contracts under PSAB are set aside for bids from qualified Aboriginal businesses only.	set aside for small or minority businesses. A contracting opportunity set-aside for Aboriginal suppliers is; therefore, not required to adhere to the provisions of these trade agreements.	
Government of the Netherlands ³⁰	Creation of sustainability criteria for publicly procured products	<p>Implementation: Minimum sustainability criteria (Criteria Documents) were created for the most commonly procured product groups, detailing how each product group can address sustainability. It includes language which can be copied directly into requests for tenders. Social Conditions or ethical procurement conditions based upon core ILO standards were incorporated into this policy for government tenders exceeding 250,000 euros.</p> <p>This Act also provides an obligation on contracting authorities to maximize the social return on investment of each purchase, requiring that sustainability be considered at all stages in the procurement process. This includes market consultations before the procurement process to inform businesses about upcoming procurement needs.</p> <p>The Dutch government grants preference when possible to social businesses which increase the</p>	Policy framework: Procurement Act (2012)	Near 100% of purchases in 2010 by the central government, 96% by the provincial governments, and 85% by the municipal governments followed Criteria Documents. A survey found that social procurement policies were used by over 40% of contracting authorities, however, other research suggests that procurers are not sufficiently engaged in applying social criteria to tenders. Social Return requirements may also be preventing SME participation due to their inability to, for example, employ more disadvantaged people.

³⁰ http://ec.europa.eu/regional_policy/sources/policy/how/improving-investment/public-procurement/study/country_profile/nl.pdf

		employment of disabled and disadvantaged people through its Social Return policy.		
Government of Scotland ³¹	Social procurement pilot projects resulting in Community Benefits Clause	<p>Pilot project in five cities for social procurement, focus on targeted employment and training.</p> <p>Scotland furthered the initiative by requiring contracting authorities to consider the relevance of Community Benefits (CB) clauses during the design of contracts for contracts valued at least 4 million pounds.</p> <p>Expanded objectives to include economic, social and environmental well-being more broadly, and to increase contract accessibility for small-medium enterprises and the third-sector (non-profits and social enterprise).</p>	Policy frameworks: Community Benefits in Procurement (2003), Community Benefits clause (2008), Procurement Reform (Scotland) Act (2014)	Success of pilot led to inclusion of Community Benefits (CB) clauses in its procurement policy. An independent evaluation found that two-thirds of public organizations used CB clauses between 2009 and 2014 and there were positive benefits for the targeted populations. Initiative was furthered due to its success.

East Side Road Authority

- Policy framework: East Side Road Authority Community Benefits Agreement and Aboriginal Procurement Initiative (2010)
- <https://digitalcollection.gov.mb.ca/awweb/pdfopener?smd=1&did=25207&md=1>
- The East Side Road Authority launched CBAs with the Aboriginal communities affected by infrastructure projects. These CBAs established contracts and training for community-owned construction companies for preconstruction work, as well as the hiring of 30% of total hours on road construction and 20% of total hours on bridge construction to local residents. This effort is an application of the Aboriginal Procurement initiative's objective to increase indigenous involvement in the Province's procurement practices.

Nova Scotia

- <https://novascotia.ca/tenders/policies-processes/public-procurement-act.aspx>
- Policy framework: Public Procurement Act (2011)
- Public sector organizations must consider "inclusiveness and fair wage" in competitive tenders. Aims to support social enterprises and business that employ minorities and

³¹ <https://www.gov.scot/Topics/Government/Procurement/policy/corporate-responsibility/Sustainability/CommunityBenefits>
<https://www.gov.scot/Publications/2008/02/12145623/1>

under-represented populations. Act creates and gives authority to a compliance officer (“Chief Procurement Officer”).

- This Act expresses a preference for suppliers for goods manufactured or produced in Nova Scotia valued up to and including \$10,000. This preference must be approved by the Executive Director.
- Auditor General report finds insufficient monitoring and enforcement of compliance, and procurement practices do not reflect the objectives set out in the Act.

Quebec’s Social Economy Action Plan

- <http://legisquebec.gouv.qc.ca/en/ShowDoc/cs/E-1.1.1>
- Policy framework: Social Economy Act (2013)
- Directs Ministers to consider social procurement. Establishes targeted measures to improve social enterprise/social economy. Creates an inter-departmental working group, led by the Ministry of Economic Development, Innovation, and Export Trade, to integrate social procurement into the existing public procurement process. Also includes awareness campaign within governmental departments and municipalities.

Ontario Pan Am Games

- http://www.auditor.on.ca/en/content/specialreports/specialreports/2015panam_june2016_en.pdf
- Policy framework: Social Enterprise Purchasing Strategy (2015)
- Headed by Ministry of Economic Development, Employment and Infrastructure. Uses Social Purchasing Project as an intermediary like the Community Benefits framework for Crosslinx.
- Criticized for too late of a launch – most of the contracts had been awarded, giving few procurement opportunities for local/social enterprises.

United Kingdom

- <http://www.legislation.gov.uk/ukxi/2015/102/contents/made>
- Policy framework: Public Contracts Regulations (2015)
- Generally follows the EU general procurement Directive, but adds some specific regulations regarding the participation of small- and medium-sized enterprises (SMEs) within procurement processes. The UK is generally concerned regarding the inclusion of social criteria adding cost and bureaucracy to the procurement process without any clear indication of benefits. Social procurement is generally conservative in tone in the UK, despite procurement Directives from the EU. In practice, the UK has failed to implement social procurement, and there is evidence in some sectors that contracting out has been used as a method to cut costs by undermining labour standards.

Province of Ontario Infrastructure Procurement

- <https://www.ontario.ca/laws/statute/15i15>
- Policy framework: Infrastructure for Jobs and Prosperity Act (2015)

- For long-term infrastructure planning and investment, and includes principles of community benefits, local job creation and training opportunities. Procurement process for infrastructure must include a plan of # of apprenticeships, in particular for underrepresented populations (women, new immigrants, at-risk youth, veterans, and indigenous persons).

European Union Procurement

- http://ec.europa.eu/growth/single-market/public-procurement/strategy_en
- Policy frameworks: Procurement Directive (2004), Socially Responsible Public Procurement (2010)
- Gives authority to add social and environmental considerations to public tenders. Used to promote employment opportunities for minorities, youth, “decent work” and social inclusion.

Western Australia Government Supply Policy

- https://www.finance.wa.gov.au/cms/Government_Procurement/ADEI/Australian_Disability_Enterprise_Initiative.aspx
- Provides exemption from procurement minimum requirements to direct award contracts to an Australian Disability Enterprise without a competitive tender. Resulted in low uptake by ministries within the government.
- Government provided a Social Innovation Grant to a collaboration of the Western Australian Disability Enterprises (WADE), funding two years for a project manager to facilitate collaboration between enterprises, assist with tendering processes, and broker negotiations with government procurement agencies. Department of Finance’s Client Procurement Services Team restructured one staff position to focus on social procurement and to work with WADE project manager. An internal champion raised awareness of the exemption clause and helped agencies incorporate this exemption into their own procurement. The government continues to fund one internal staff and the WADE project manager.

British Columbia

- <https://www2.gov.bc.ca/assets/gov/employment-business-and-economic-development/business-management/social-innovation/si-purchasing-guidelines.pdf>
- Policy framework: Social Impact Purchasing Guidelines (2011)
- Created by Ministry of Social Development and Innovation and established a BC Social Innovation Council. Resulted in a report recommending that ministries “take a leadership role” in establishing purchasing criteria to meet their social objectives.

Birmingham, UK

- https://www.birmingham.gov.uk/info/20215/procurement_services/524/birmingham_business_charter_for_social_responsibility
- Policy framework: Business Charter for Social Responsibility
- Municipal effort in the UK to promote social benefits in procurement.

	Tier 1 Social Responsibility does not apply	Tier 2 Light touch application tailored by contract or grant type	Tier 3 Fully consider Social Value and all action plan measures
Contract value or grant value as appropriate			
Contracts for Services	<£200k	£200k to £750K	Over £750K
Contracts for supply of Goods	< £1m	£1m to £5m	Over £5m
Contracts for execution of Works	< £1m	£1m to threshold in Article 4(a) Directive 2014/24/EU*	Over threshold in Article 4(a) Directive 2014/24/EU*
Grants	< £200k	£200k to £750K	Over £750K

Appendix C: Review of City of Calgary Social Policy

Using the 2019-2022 Council Directives for One Calgary as an organizing frame, the following City of Calgary policies, strategies and frameworks were reviewed to identify how incorporating social procurement into an enhanced SSEEPP can contribute to meeting The City's priorities and aspirations.

Council Directives

A Prosperous City means supporting the continued growth, diversification and resilience of Calgary's local economy in a way that ensures opportunity for all.

A City of Safe and Inspiring Neighbourhoods means Calgarians live in complete communities that include accessible services and thriving local businesses.

A Well-Run City means embracing appropriate levels of risk, innovation and experimentation to deliver value to Calgarians through collaboration and integrated service delivery.

Social procurement can contribute to these goals by promoting:

- Greater economic opportunity and integration for historically marginalized groups
 - Increased supplier diversity, such as Indigenous, immigrant, and women-owned business
 - Living-wage employment opportunities for people facing barriers to employment
 - Flexible and supportive employee benefits programs that improve financial literacy, wellness and resilience
 - Apprenticeship, work-experience, and entry-level opportunities in the trades and other career-track employment for historically marginalized groups
- A more diverse and more resilient small, medium and social enterprise ecosystem
 - Increased market opportunities for local businesses and social enterprises
 - Increased recirculation of money in the local economy as well as increased charitable donations and employee volunteerism
- Adoption of best practices for continuous improvement

Review of City of Calgary Policies, Frameworks and Strategies

Economic Opportunity & Integration	
Municipal Development Plan	<ul style="list-style-type: none"> • Communities should be planned according to the following criteria for complete communities and provide: <ul style="list-style-type: none"> ○ Diversified employment opportunities that are integrated into the community or easily accessible by a number of modes of travel;

	<ul style="list-style-type: none"> ○ Neighbourhood stores, services and public facilities that meet day-to-day needs, within walking distance for most residents;
Preliminary Resilience Assessment	<ul style="list-style-type: none"> • Economic Resilience <ul style="list-style-type: none"> ○ What are the barriers to employment and economic participation for Calgarians and how can these barriers be best overcome, particularly for disadvantaged communities? • Inclusive Leadership and Decision Making <ul style="list-style-type: none"> ○ What are the economic arguments for reducing underemployment of diverse target populations and how can this benefit these populations and the city more widely?
Calgary Economic Development: Building on Our Energy (2014) & Calgary in the New Economy (2018)	<ul style="list-style-type: none"> • Expand work-integrated learning programs • Enhance program access to diverse communities • Pilot/scale nimble short-term programs to re-skill workers • Increase economic participation for the underrepresented and underemployed
Enough for All	<ul style="list-style-type: none"> • Encourage inclusive business practices that build community in the workplace and provide high quality employment to all Calgarians through practices such as: <ul style="list-style-type: none"> ○ the adoption of ethical procurement policies, ○ payment of living wages, ○ providing key employment supports for vulnerable workers (e.g. childcare, transportation and housing support), ○ progressive hiring practices to ensure diversity, ○ opportunities for workers with disabilities ○ transparent performance reporting. • Work with The City of Calgary and United Way of Calgary to develop living wage policies and encourage others to adopt similar policies.
Welcoming Community Policy	<ul style="list-style-type: none"> • The City will work with other partners and support inter-departmental, inter-governmental and community collaboration to encourage and promote full integration of immigrants'

	<p>participation in the social, economic, political, recreational and cultural aspects of our community.</p>
Triple Bottom Line / 2020 Sustainability Direction	<ul style="list-style-type: none"> • A city that attracts, develops, and retains - Calgary attracts business, new citizens, and visitors through its reputation as a vibrant city with a strong sense of place where we put learning, creativity, and liveability first. • A focus on people and community - All Calgarians have access to meaningful employment and the ability to achieve individual economic well being. • The City encourages participation from the general public, non-profit organizations, commercial enterprises and persons from vulnerable or disadvantaged groups, and to fulfill its responsibilities for participation through effective communication and education
imagineCalgary targets	<ul style="list-style-type: none"> • By 2036, alternative ways to measure economic well-being are commonly used to support sustainability principles in decision-making. • By 2036, full employment of the labour force (defined as unemployment below five per cent) is sustained. • By 2036, the high school graduation rate for individuals up to age 21 increases to 95 per cent, and 75 per cent of adults aged 21 to 25 complete a post-secondary or vocational education program. • By 2036, 95 percent of entrants in trades-related programs complete their programs and 98 per cent of graduates are employed in their fields of study within six months of graduation. • By 2036, all adult immigrants to Calgary have the opportunity to integrate into the economy through employment or entrepreneurial activity at the same participation or success rate as other Calgarians. • By 2036, healthy seniors have the opportunity to be engaged in fulfilling work that contributes to the economy and/or the community. • By 2036, 95 per cent of all people living in Calgary are at or above Statistics Canada's Low-income Cut-off (LICO) rates; there is no child poverty.

White Goose Flying Report	<ul style="list-style-type: none"> • Explore initiatives in response to the Truth and Reconciliation Commission Call to Action #7: Improve educational and employment gaps.
Calgary Local Immigrant Partnership – Local Settlement Strategy	<ul style="list-style-type: none"> • Undertake actions that make the labour market in Calgary more equitable for immigrants to enter and participate. • Undertake actions that help to integrate immigrants into the Calgary labour market in a timely manner.
Diversification, Innovation and Entrepreneurship	
Municipal Development Plan	<ul style="list-style-type: none"> • Supporting business and investment <ul style="list-style-type: none"> ○ Attract and retain suitable business and industry in Calgary by fostering economic diversification and providing a climate that supports and enhances economic activity. ○ Remain open to innovation and provide flexibility to accommodate the changing needs of business.
Preliminary Resilience Assessment	<ul style="list-style-type: none"> • Economic Resilience <ul style="list-style-type: none"> ○ How can we best retrain and reutilize existing human and capital assets and resources as Calgary transitions to a more diversified economy less vulnerable to commodity price fluctuations?
Triple Bottom Line / 2020 Sustainability Direction	<ul style="list-style-type: none"> • A focus on business and enterprise - Calgary's economy is diverse and supports locally owned and operated businesses that re-invest back into the community
imagineCalgary	<ul style="list-style-type: none"> • By 2036, the number of environmentally sustainable and commercially viable value-added products and technologies produced in Calgary increases by 100 per cent. • By 2016, Calgary has a strong and diverse portfolio of locally based businesses. • By 2036, the number of environmentally sustainable and commercially viable value-added products and technologies produced in Calgary increases by 100 per cent. • By 2036, Calgary's non-oil-related industries grow by 50 per cent.

	<ul style="list-style-type: none"> By 2010, all public institutions and organizations implement sustainability principles (e.g. Melbourne Principles) in decision-making and reporting, using tools such as triple bottom line.
Enough for All	<ul style="list-style-type: none"> Support Community Economic Development activity by establishing a Social Business Centre and Community Investment Fund to provide resources, training, mentorship and support for the development of cooperatives and social enterprises and corporations interested in pursuing B-Corps certification. Resources to help companies work with their supply chains to incorporate inclusive and sustainable practices.
Community Economic Development Neighbourhood Framework	<ul style="list-style-type: none"> In a strong neighbourhood, residents support local business and local business supports community. CSWs build relationships with local businesses, help to facilitate learning opportunities about community economic development and support marginalized residents to develop and incubate small businesses and other opportunities for supplementary income generation.
SEEP	<ul style="list-style-type: none"> Taking a leadership role in market development for green and ethical, or otherwise sustainable products; and, Promoting innovation and enhancing access to green and ethical products to lower costs of sustainable purchasing over time. Develop a supplier community that exhibits leadership in corporate social responsibility through their efforts to continuously improve best practices that protect the welfare of workers and the environment while maintaining a competitive position in the market;
Calgary Economic Development: Building on Our Energy (2014) & Calgary in the New Economy (2018)	<ul style="list-style-type: none"> Build on our business strengths, infrastructure and location to strategically grow non energy-related sectors. <ul style="list-style-type: none"> Identify and encourage local procurement opportunities Provide business and entrepreneurs the support to grow. <ul style="list-style-type: none"> Develop pathways to entrepreneurship for future leaders and youth. support for entrepreneurs to launch and grow their businesses

Adopting Best Practices	
SEEP	<ul style="list-style-type: none"> • Embed ethical, environmental and economic performance criteria into all City supply chain procedures, processes and activities; • Support the purchase of goods and services that will enhance and protect the environment, protect the welfare of workers and represent best value for the corporation; and • Advance a corporate culture at The City that recognizes and places a priority on sustainability.
Preliminary Resilience Assessment	<ul style="list-style-type: none"> • How do we encourage a trusting environment that supports intentional risk taking, innovation and co-creation? • Economic Resilience <ul style="list-style-type: none"> ◦ What governance structures, human resources, and other assets are required to enhance Calgary's ability to attract business and talent that benefits the community as a whole in the long run?
White Goose Flying	<ul style="list-style-type: none"> • Explore initiatives in response to the Truth and Reconciliation Commission Call to Action #92: Apply reconciliation in corporate sector policy and core operational activities
Indigenous Policy	<ul style="list-style-type: none"> • The City of Calgary, when updating existing policies and/or practices, will strive to understand the potential impacts on Treaty 7 First Nations and other Indigenous communities. • The City of Calgary will explore opportunities for Administration to collaborate with Indigenous communities to produce inclusive and equitable amendments to include Indigenous practices. • The City of Calgary, when developing new policies and/or practices, will explore opportunities to collaborate on meaningful and innovative strategic directions and approaches with Treaty 7 First Nations and other appropriate Indigenous communities.
Enough for All	<ul style="list-style-type: none"> • The City of Calgary will further support community economic development by revising its Supplier Code of Conduct to award additional points in the bid process to cooperatives, social enterprises and private corporations with strong corporate social responsibility programs.

	<ul style="list-style-type: none">• Work with The City of Calgary to support neighbourhood-based community economic development activities by providing training to Community Social Workers and Community Recreation Coordinators, to enable them to build opportunities in priority neighbourhoods.
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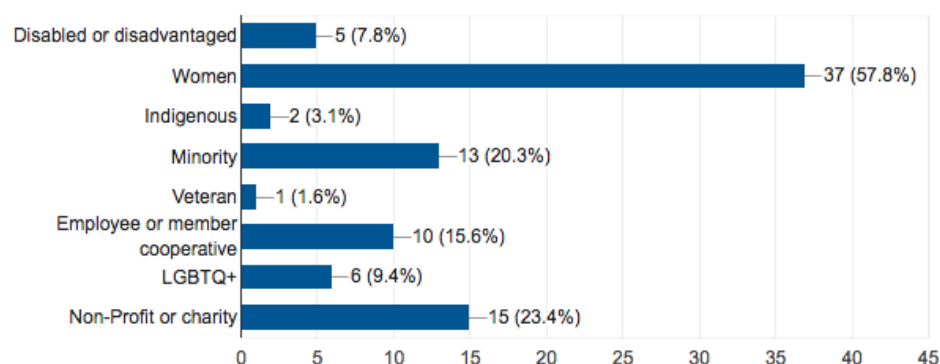
Appendix D: Key Informants

The names of key informants have been withheld from the public facing documents as a matter of confidentiality and privacy.

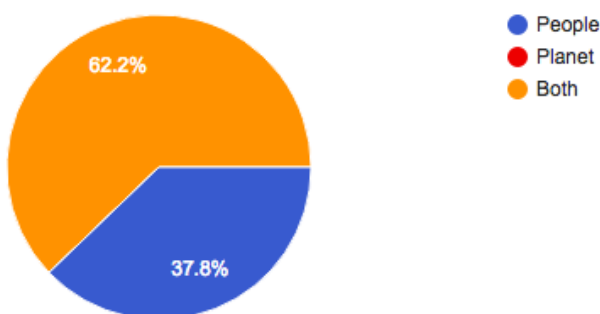
Appendix E: Local Small and Medium Sized Business Social Procurement Survey Results

This survey was intended to determine the extent to which supply exists to meet The City of Calgary's demand for goods and services that achieve social impact. It gained insights into the types of barriers that social enterprises face in responding to and delivering on government bid opportunities. A total of 78 social enterprises, non-profits and charities responded to the survey, and were asked 18 questions that considered their experiences responding to government RFPs. Certain questions have fewer responses depending on the type of information requested.

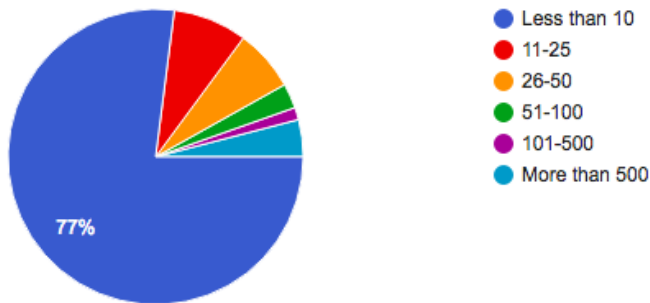
1. Is your local business or social enterprise owned by one of the following?
(64 responses)



2. Does your local business or social enterprise have a mission that is focused on advancing outcomes for people or planet?
(74 responses)

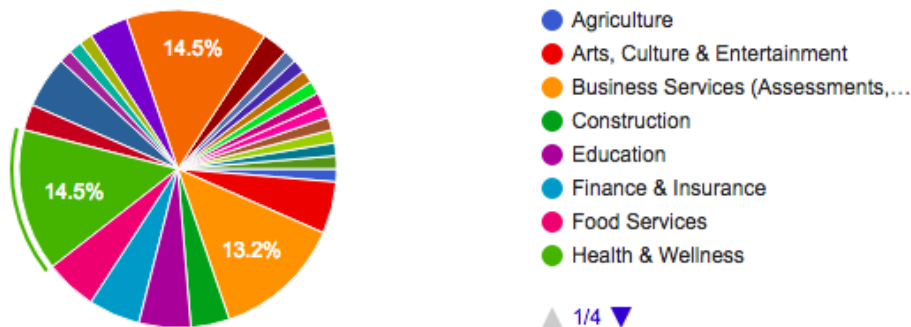


3. How many FTEs has your business or social enterprise employed in the past 12 months?
(74 responses)

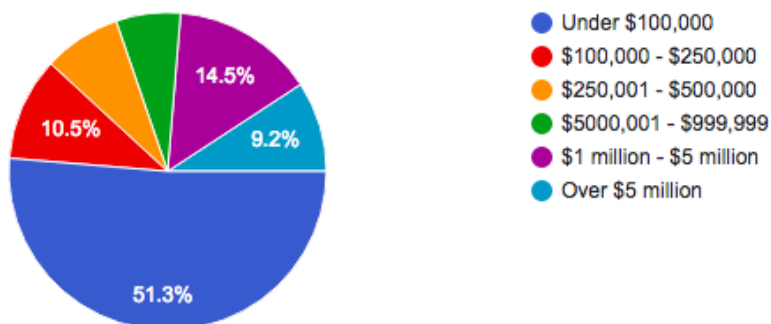


4. In what industry does your local business or social enterprise operate?
(76 responses)

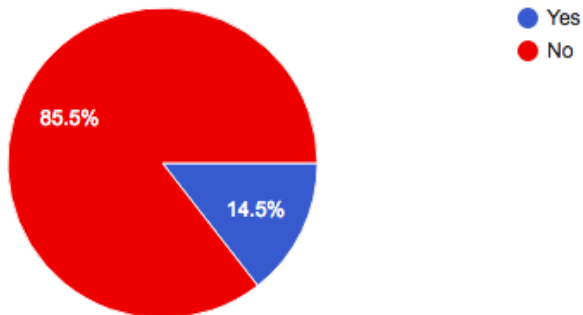
Health & Wellness: 14.5%
Retail: 14.5%
Business Services: 14.5%



5. What is your annual business revenue or operating budget for the last fiscal year?
(76 responses)



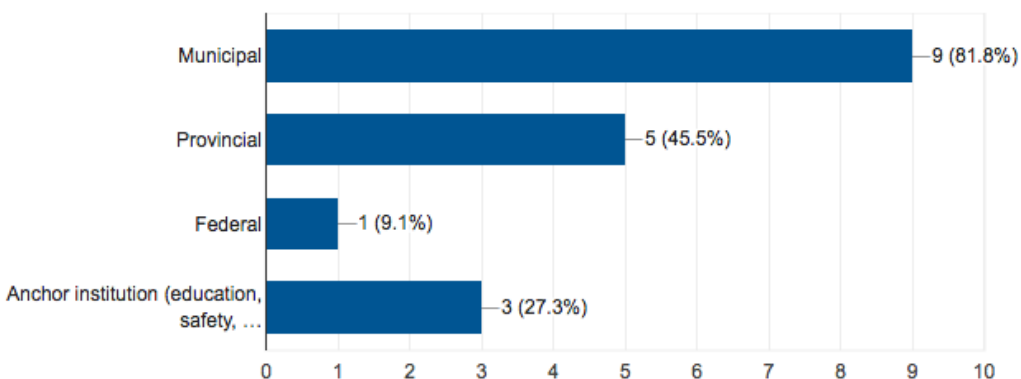
6. Has your business or social enterprise bid on government contracts in the past?
(76 responses)



7. Why not?
(66 responses)

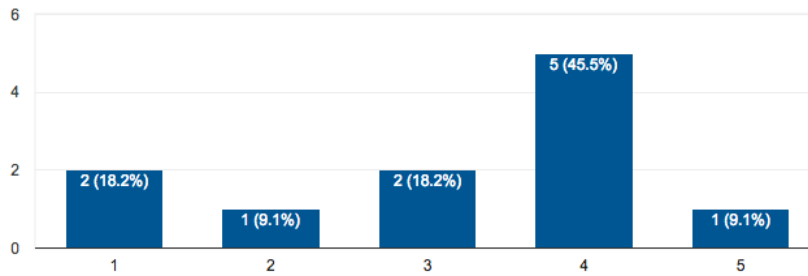
- 54.5%: Lack of information about bid opportunities that are relevant to my business or social enterprise
- 48.5%: I don't know enough about the people, processes and policies to respond
- 25.8%: My business or social enterprise is too small to respond
- 21.2%: The focus on lowest price makes it unprofitable for my business to respond
- 15.2%: My business or social enterprise doesn't have enough capacity to deliver

8. For which level of government was the contract you bid on?
(11 responses)

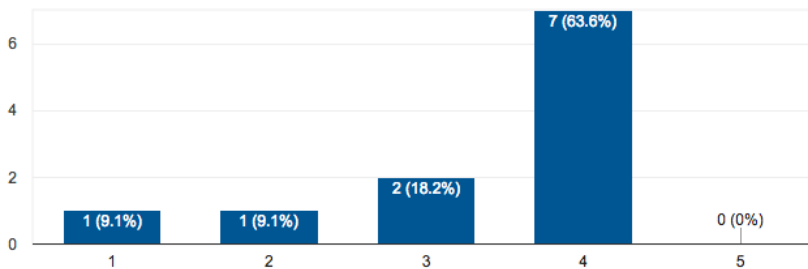


9. On a scale 1-5 please rate the following aspects of the bidding process.
(11 responses) 1 = did not meet expectations; 5 = exceeded expectations

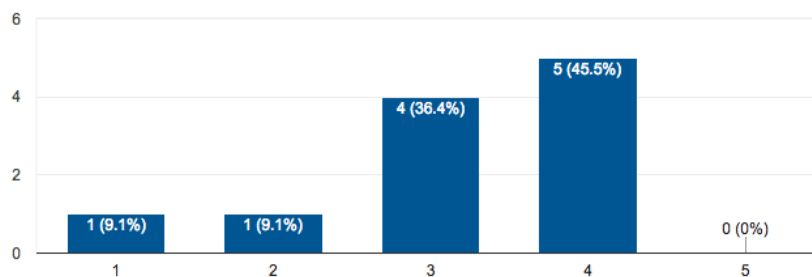
a. Reasonable timeline to prepare a bid:



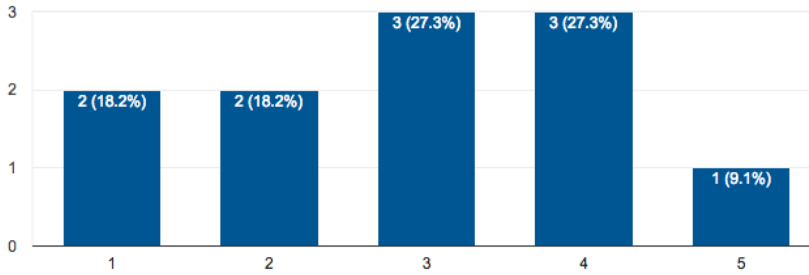
b. Terms of service/supply were fair and clear:



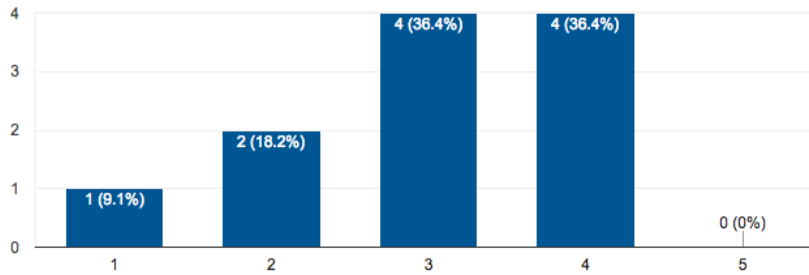
c. Timeline for delivery was reasonable:



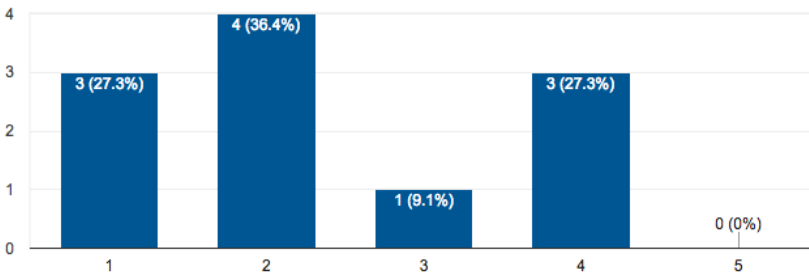
d. Procurement contact was responsive and/or the online system was easy to use:



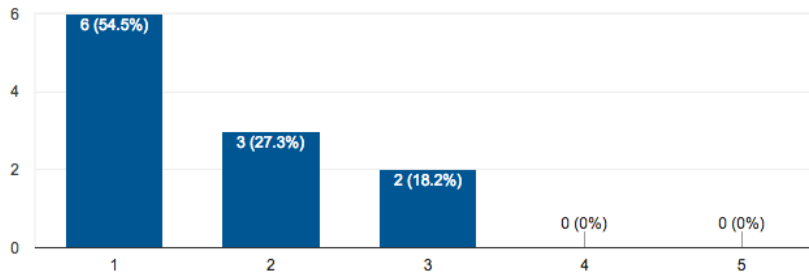
e. Evaluation criteria were fair and clear:



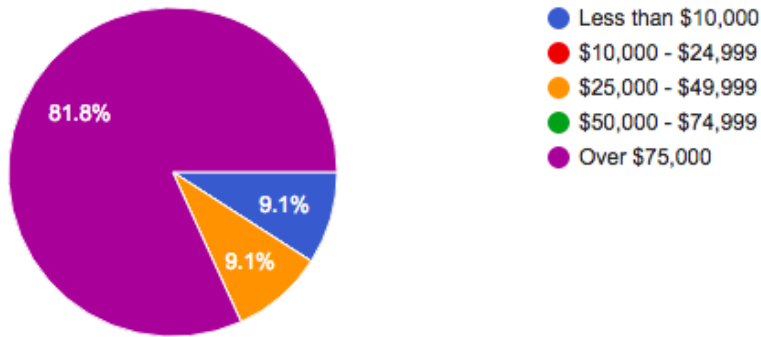
f. Clear and useful feedback were provided:



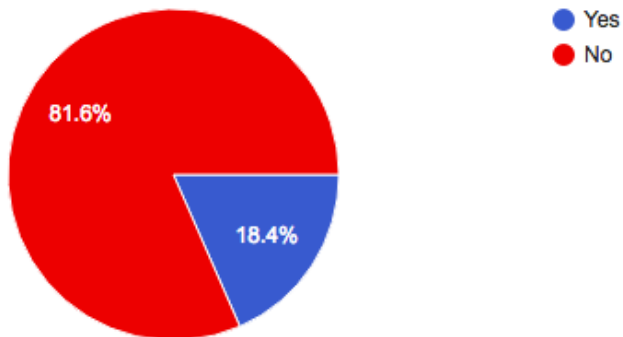
g. Incentives were provided for social development:



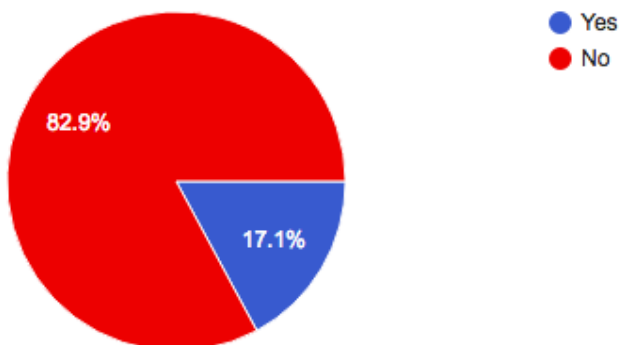
10. What was the value of the contract opportunity?
(11 responses)



11. Do you have an employee or contractor whose role is to identify bid opportunities?
(76 responses)



12. Do you have someone whose primary function is procurement?
(76 responses)

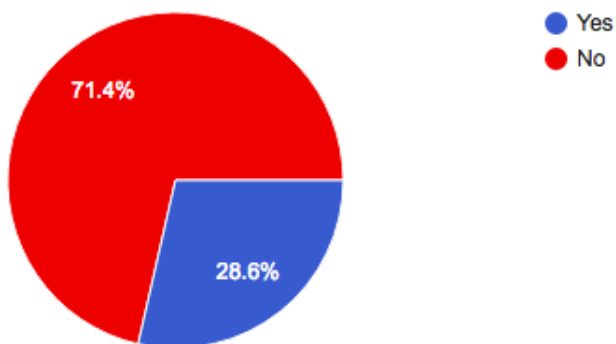


13. What are the barriers that prevent you from responding to more opportunities for government contracts?
(55 responses)

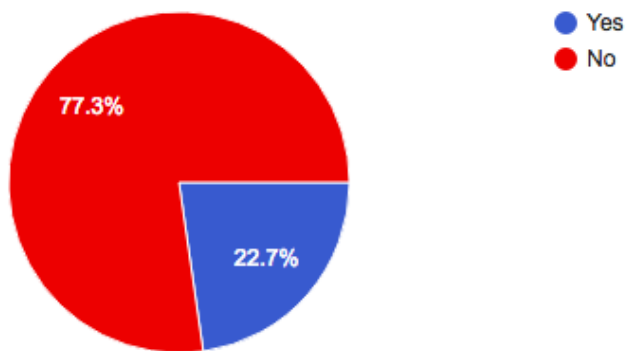
Common responses included:

- i. Not enough capacity (staff, time, money)
- ii. Lack of awareness or knowledge
- iii. Unable to compete with national and global organizations

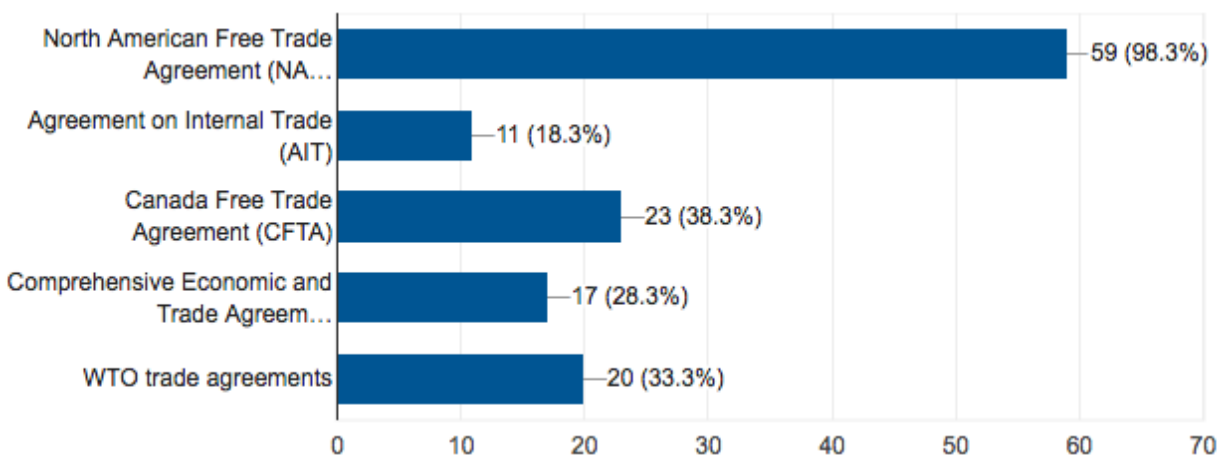
14. Are you aware of MERX?
(77 responses)



15. Do you have a subscription to MERX?
(22 responses)



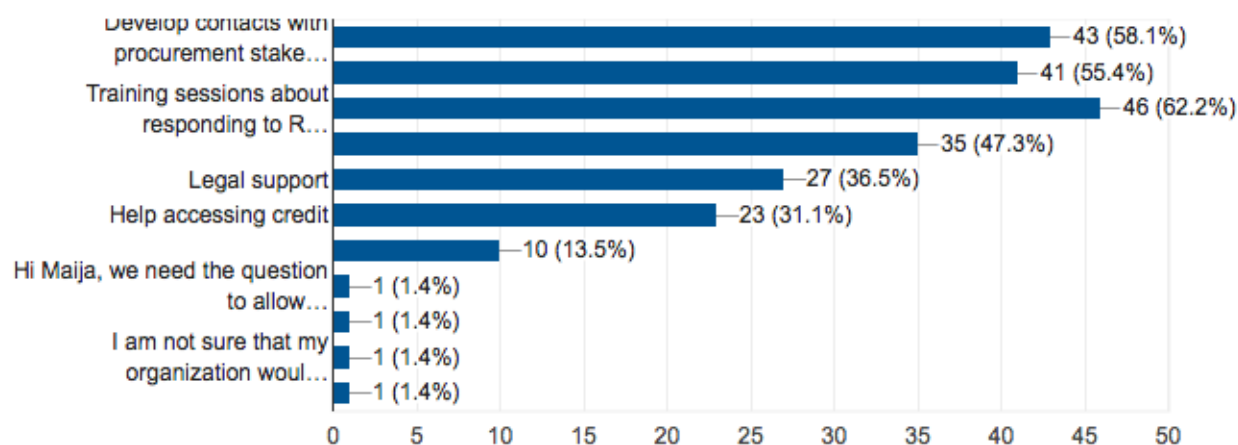
16. Are you familiar with trade agreements?
(60 responses)



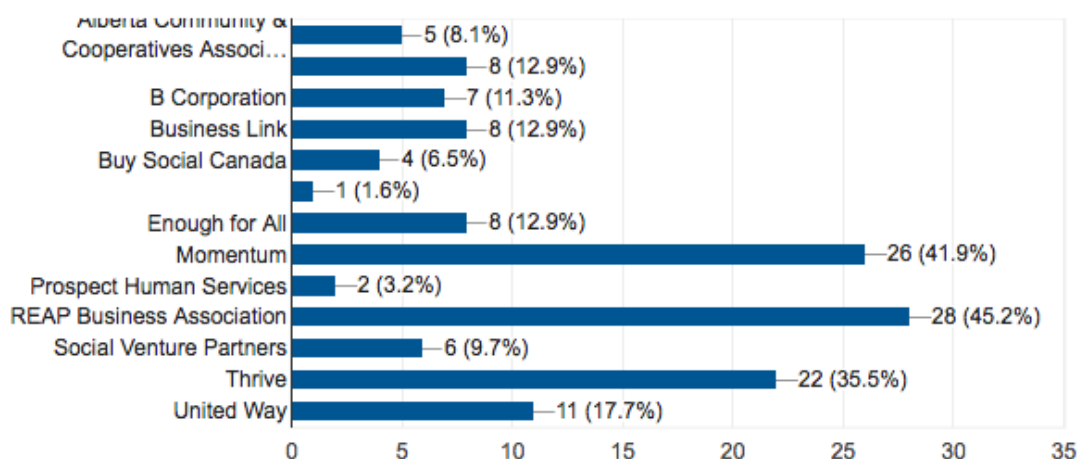
17. Which of the following capacity building resources would be helpful to your local business or social enterprise in order to support your bids for government opportunities?
(74 responses)

58.1%: Develop contracts with procurement stakeholders

55.4%: Support businesses and social enterprises to partner on proposal responses
62.2%: Training sessions about responding to RFPs
47.3%: Infrastructure to help with responses to complex proposals
36.5%: Legal support
31.1%: Help accessing credit
13.5%: Nothing would prompt me to respond to more government bids



18. Are you a member of any of the following networks?
(62 responses)



Appendix F: A Guide to Social Procurement

Buy Social Canada recently developed A Guide to Social Procurement, an interactive introduction to the why, what, and how of social procurement in Canada. It is written for several audiences: organizations taking the necessary steps towards social procurement implementation; others considering whether to or how to integrate social value into their current procurement practices; or simply those curious about social procurement more generally. It includes relevant worksheets and exercises to guide you through the implementation process for your specific organization, whether you are a non-profit, a corporation, a small business, an anchor institution, or any level of government. To supplement the core material in this guidebook, we have included several real examples of emerging policy and practice, as well as case studies of social enterprises, social purchasing, and community benefit agreements.

The guide is available for free download at <https://www.buysocialcanada.com/guide>

Appendix G: Guidelines to the Procurement Obligations Trade Agreements

These Guidelines were developed in 2014 by the Governments of British Columbia, Saskatchewan and Alberta to assist procuring entities in understanding their procurement related obligations under the following domestic and international trade agreements. They are available [at this link](#).

A Primer on Trade Agreements was prepared by Canadian Community Economic Development Network, CCEDNet, and Accelerating Social Impact, it can be found [at this link](#).

Appendix H: Description of Contributing Organizations

Buy Social Canada

Buy Social Canada is a Community Contribution Company, CCC, that works with social enterprises to increase their business opportunities and grow their social impact. BSC supports the enhancement and growth of social procurement through webinars, workshops and consultation. We work with community, private sector, and government to support the development of policy and resources to strengthen local and regional social procurement initiatives. www.buysocialcanada.com

REAP Business Association

REAP officially launched in 2008 with three Founding Members and has since grown to 130 Southern Alberta businesses and non-profits. Collectively its' members represent more than \$21 billion in revenue, 4300 Calgary area jobs, \$25 million in local charitable donations, 93 000 volunteer hours, and millions of tonnes of waste and CO2 diversion each year. REAP programming educates buyers about the triple bottom line benefits of choosing ethical products and services and connects business leaders for the purpose of learning and collaborating for shared prosperity. Together we are forging a new economy that benefits both people and planet. <https://www.belocal.org/>

Momentum

Momentum is a change-making organization that takes an economic approach to poverty reduction and adds a social perspective to economic development initiatives. Momentum offers programs and services for people that are living on low incomes, support to communities and businesses to build and sustain the local economy, and community leadership working with community partners, academics, civil servants and elected officials to support innovative systems-change approaches to poverty reduction. <https://momentum.org/>

Goss Gilroy Inc.

Goss Gilroy Inc., is a privately-owned Canadian management consulting firm offering a wide range of services to public, not-for-profit and private sector clients. Founded in 1981, it has a staff of over 20 professionals. GGI's reputation in this area rests on our expertise in developing rigorous designs for key documents, policies, practices, tools and templates, drawing from best practices, risk analyses, performance measurements, and observed value-for-money and rigorous stewardship standards. <http://www.ggi.ca>