



# A GUIDE TO SOCIAL PROCUREMENT





## Acknowledgements

We want to thank our partners, contributors and funders for their support of A Guide to Social Procurement.

This work was supported by [AnchorTO](#).

## Social Enterprise Ecosystem Project





Buy Social Canada is a partner in the Canada-wide Social Enterprise Ecosystem, [S4ES](#). A partnership of the [Social Enterprise Institute](#), [Akcelos](#), [Social Value Lab](#) and the Canadian Community Economic Development Network, [CCEDNet](#).



# Canada

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# About Buy Social Canada

Buy Social Canada brings together socially driven purchasers and social enterprise suppliers to build business relationships that generate social benefits for communities across the country. We work with community, private sector, and governments to support the development of policy and resources to strengthen local and regional social procurement initiatives. We offer a recognized, Canada-wide social enterprise certification program that opens the door to an emerging social impact network.

## How to Use this Guidebook

This guidebook is an 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.

While we encourage you to read the guidebook from start to finish, each chapter is designed to be able to stand alone. Feel free to peruse the chapters that are most interesting and pertinent to you and your organization. You will find all worksheets referred to in the text at the end of each chapter.

## About the Guidebook

The Social Procurement Guide is a work in constant progress, so your feedback is very important and valuable for tweaking and adding content. You can send your notes, comments, and stories to us through Elizabeth, [elizabeth@buysocialcanada.com](mailto:elizabeth@buysocialcanada.com).

We hope the guide offers you value in your journey of exploring social procurement.

We want to thank our partners, contributors and funders for their support of A Guide to Social Procurement.

– *The Buy Social Canada Team*

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East Van Roasters is a non-profit initiative benefitting  
the women residents of the downtown east side.  
Your patronage contributes directly to the success  
of this program - thank you and enjoy!

# INTRODUCTION



# Introduction

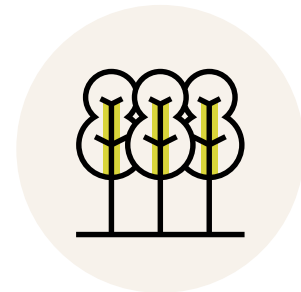
Every purchase has an *economic, environmental and social* impact, whether intended or not. Social procurement is about capturing those impacts and seeking to make intentional positive contributions to both the local economy and the overall vibrancy of the community.

Individual consumers are already considering the impact of their purchases by buying products certified as fair trade, local, organic and/or ethical. By scaling up this growing trend to include government and corporate purchasing, the potential impact could be tremendous.

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.*”<sup>(1)</sup> It means using your procurement dollars to achieve overarching institutional, governmental, or individual goals such as environmental and social sustainability. By adopting a social procurement framework, you can seek to maximize the value you receive from your existing purchases.

For government, social procurement meets taxpayers’ expectations of financial prudence by leveraging procurement dollars already within the budget to simultaneously fulfill a procurement need as well as contribute to governmental social objectives.

For businesses, social procurement distinguishes you as an early practitioner of a shared value approach and shows your commitment to becoming an early innovator in the corporate social responsibility movement. By elevating your corporate social



Social procurement leverages a social value from existing purchases and contracts.



Check out this [video](#) with Buy Social Canada's Managing Partner, David LePage, for an introduction to the *why*, *what*, and *how* of social procurement.

engagement towards a multi-stakeholder approach, you can create added-value in your products or services for your customers as well as strengthen community visibility and customer brand loyalty.

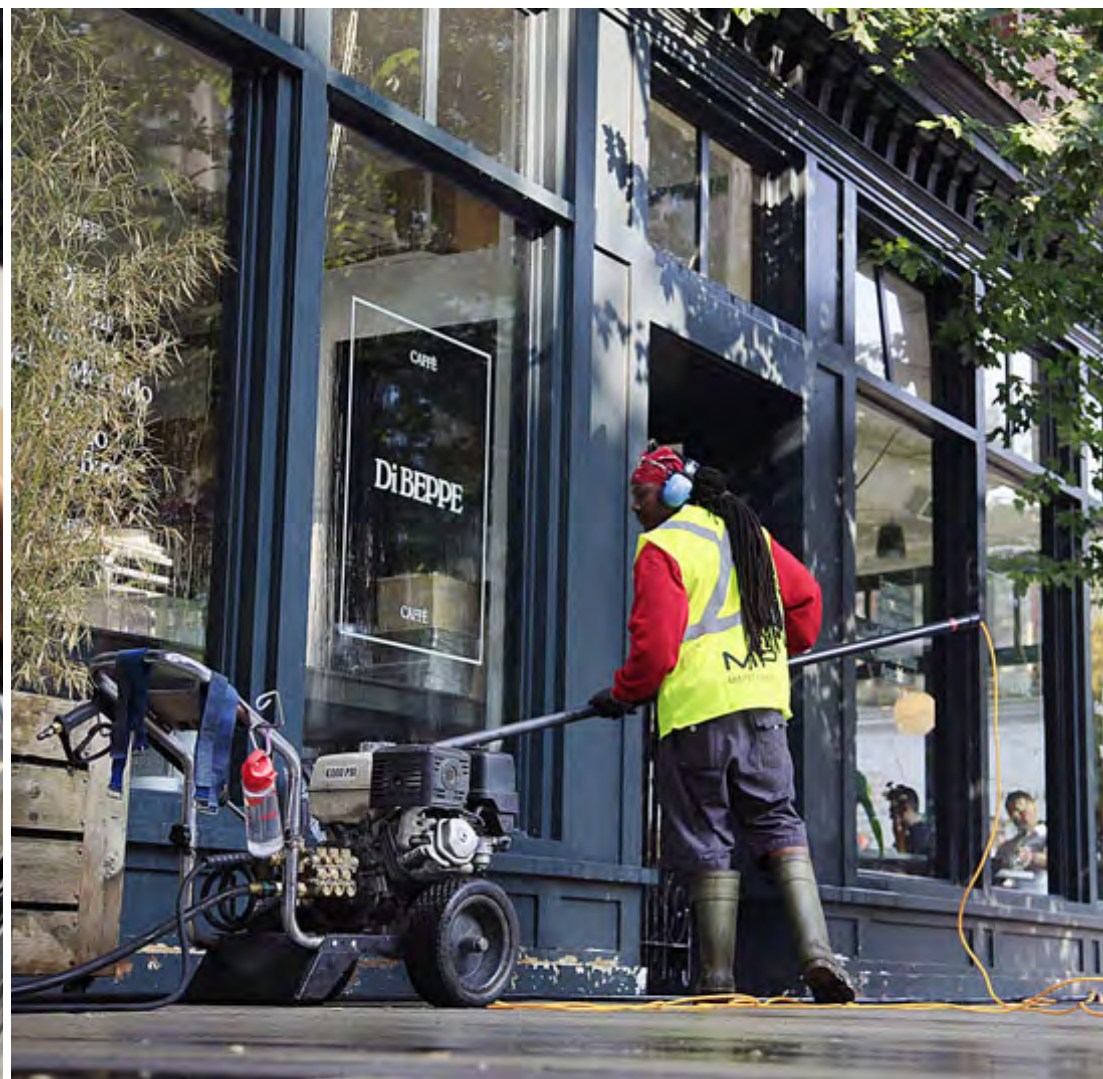
As a non-profit organization, utilizing social procurement for your purchasing of goods and services will enhance your existing commitment to providing service to the community.

We are early in the social procurement movement and the movement is constantly evolving. We hope that a Guide to Social Procurement offers a framework for understanding the options and the opportunities of social procurement policy, practice, and measurement.

ENDNOTES

1. Josephine Barraket, Robyn Keast, and Craig Furneaux, *Social Procurement and New Public Governance* (Routledge, 2016).







# WHY SOCIAL PROCUREMENT?

# Why Social Procurement?

The health of a community is not measured by economic value alone. Healthy communities require multiple types of capital, which are collectively referred to as community capital: human capital, economic capital, social capital, cultural capital, and physical capital. <sup>(1)</sup> Building community capital is the means for creating healthy communities.

Traditional procurement practices have focused on success measured through creating stores of physical and economic capital. Social procurement changes that perspective, and procurement becomes more than merely a financial transaction; it becomes a tool for building community capital.



Figure 1: The five types of community capital: Human, Economic, Social, Cultural, and Physical.

When you do social procurement, you intentionally create community benefits based on the needs of the local community. Through multi-stakeholder engagement processes, communities can identify the social, economic, and environmental issues that are important to them. Social procurement has the flexibility and capacity to then target a community need or help fill a perceived gap.



Figure 2: The four basic categories for creating community capital: healthy economy, healthy environment, healthy people, and healthy community. This figure shows options for focusing your social procurement objectives.

In developing your social procurement objectives, consider what it is your organization strives to do in its community, and then align that mission with how you purchase and what you expect from your suppliers. Figure 2 showcases four basic categories for consideration: healthy economies, healthy environments, healthy people, and healthy communities. Each of these can be narrowed and focused to more specific goals, such as creating employment opportunities and enhancing diversity. See Chapter 6: Social Procurement Objectives for more details.

#### ENDNOTES

1. Simon Fraser University, “*Community Capital Tool*,” Centre for Sustainable Development, accessed June 25, 2018, <https://www.sfu.ca/sustainabledevelopment/Engagement/community-capital-tool-launched.html>.

# WHAT IS SOCIAL PROCUREMENT?

RICE BLOCK

800  
EWMA  
Enterprising Women Making A  
CLOSED  
Please Call Ahead  
Store

EWMA  
Enterprising Women Making A  
Studi

## Chapter Three

# What is Social Procurement?

Simply put, social procurement is leveraging a social value from existing procurement.

Social enterprises are businesses that sell goods and services; they embed a *social, cultural or environmental* purpose into the business, and they reinvest the majority of profits into their social mission. Buying from social enterprises is the most direct—but not the only way—to accomplish a social purchasing objective.

In Canada, the federal government alone spends \$18-20 billion per year procuring goods and services. When you consider the total expenditures each year by the federal, provincial, and municipal governments; private households and firms; and the not-for-profit sector, that is a tremendous amount of purchasing power we can leverage to create more value for society while still creating economic value. In 2016, our nation as a whole produced \$2 trillion worth of goods and services. Imagine the transformative effects on communities if even a small percentage of this spending was directed towards social procurement. This is the potential power of social procurement.



Social enterprises are businesses that sell goods and services; they embed a social, cultural or environmental purpose into the business, and they reinvest the majority of profits into their social mission.

Buying from social enterprises is the most direct—but not the only way—to accomplish a social purchasing objective.

In June 2018, Infrastructure Canada made a commitment to social procurement by introducing a Community Employment Benefits requirement for major projects.

Over the next ten years, the Canadian federal government will spend \$180 billion on infrastructure investments. In June 2018, Infrastructure Canada made a commitment to social procurement by introducing a Community Employment Benefits requirement for major projects that will see targets set for major projects to provide training, job opportunities and/or procurement opportunities for groups that are identified as under-represented in the workforce or that face challenges to entering the workforce. The new requirement will also see projects providing procurement opportunities for small-to-medium sized and social enterprises.<sup>(1)</sup>





Social procurement does not diminish the economic value of fulfilling a purchasing need; rather it increases the total value of the transaction. 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.

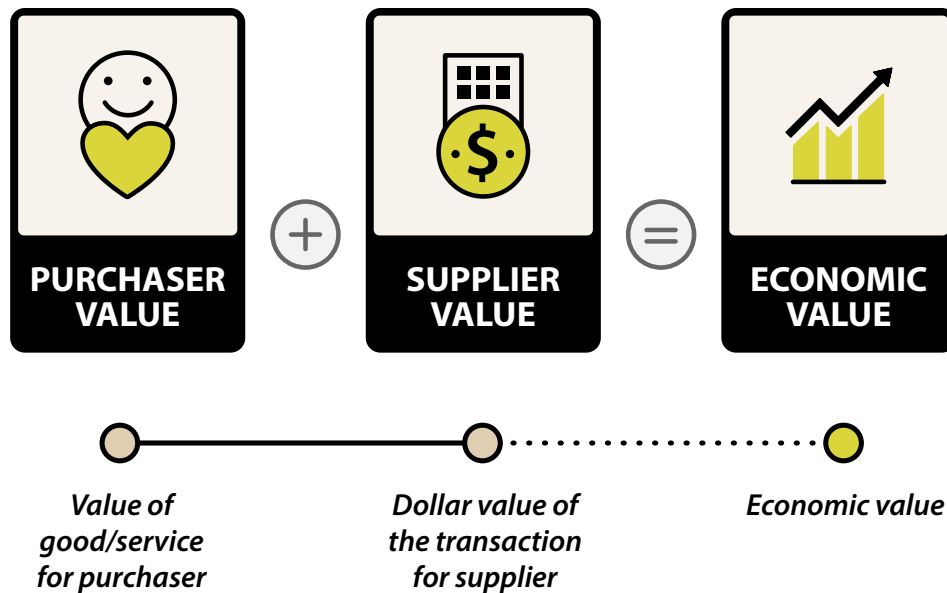


Figure 3: The traditional procurement model creates economic value only.

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.

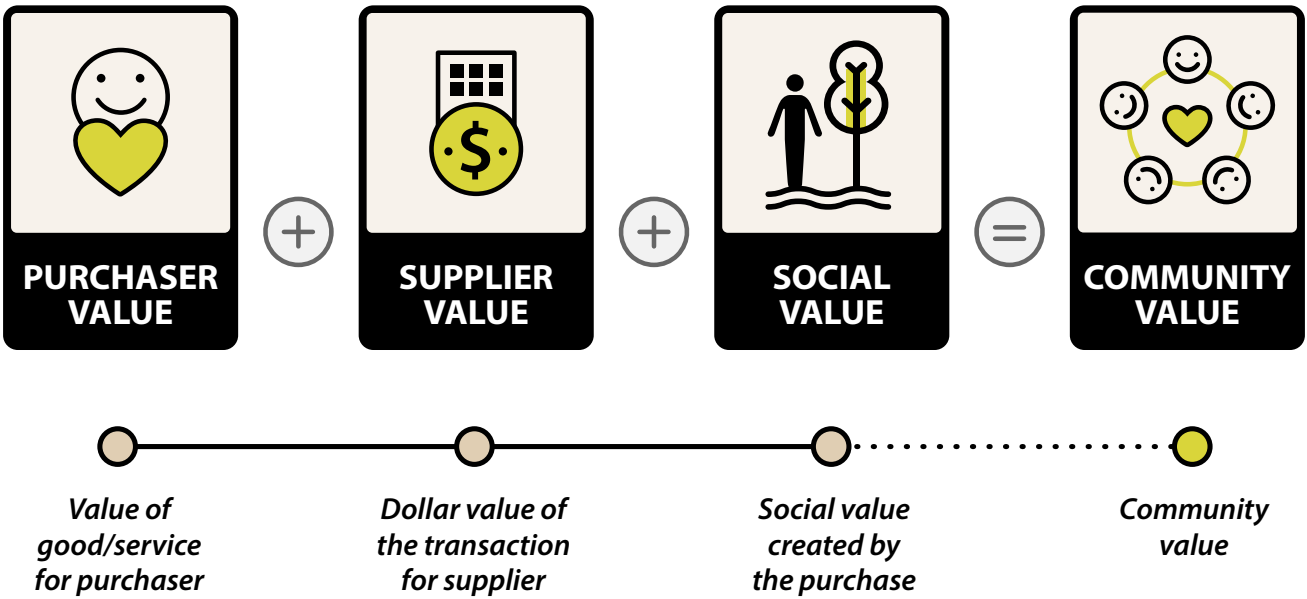


Figure 4: The social procurement model creates community value, in which economic value is just one component. Community value also includes human capital, social capital, cultural capital, and physical capital. See Figure 1 in Chapter 2: Why Social Procurement for more information about community value.

### The Evolution of Procurement Practices

Buying and selling of goods and services is not a new process. For thousands of years, communities have exchanged their local goods and services to enhance their livelihoods and create well-being. In her book, *An Indigenous People’s History of the United States*, Roxanne Dunbar-Ortiz traces<sup>(2)</sup> the sharing of local goods and cultural values across the Americas prior to the European presence. She demonstrates that market transactions haven’t always weighted financial criteria so heavily, and that considerations of community impacts were included in these trades.

Over the last several hundred years, we have shifted towards an ideology that tells us the “invisible hand” of the free market will unintentionally “advance the interest of the society”<sup>(3)</sup>. As such, purchasers have focused their efforts on maximizing the quality of their purchases while minimizing price and risk and suppliers have focused their efforts on maximizing profit margins and revenues while minimizing production costs, as shown in Figure 5. With customers so focused on low prices, suppliers have had to lower production costs to stay competitive within the market. This is often done by disregarding the potential negative environmental and social impacts of the goods and services produced and consumed.

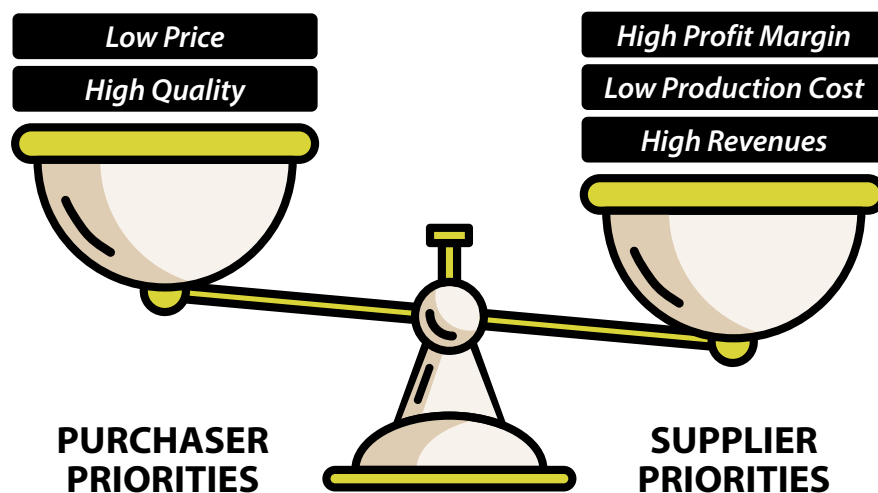


Figure 5: Purchaser and supplier priorities under a traditional procurement model. These priorities contribute to a focus solely on economic value creation.

However, when in 1969, the Cuyahoga River running through Cleveland caught fire, and about the same time when DDT, a commonly used pesticide, was found to be extremely dangerous for wildlife and the environment, purchasers began to add another consideration: the environment. In response to the clear and emerging dangers of disregarding the negative impacts of our consumption, environmental considerations were

introduced and have since evolved to where today it is common practice to include environmental concerns and requirements in procurement criteria and decision making. And so sustainable procurement evolved.

In the last 15 years, there has been a similar evolution and progression in procurement, to include a social value as well. Figure 6 shows this evolution in procurement evaluation. We are witnessing innovative businesses and governments become early adopters of social procurement policy and practice.

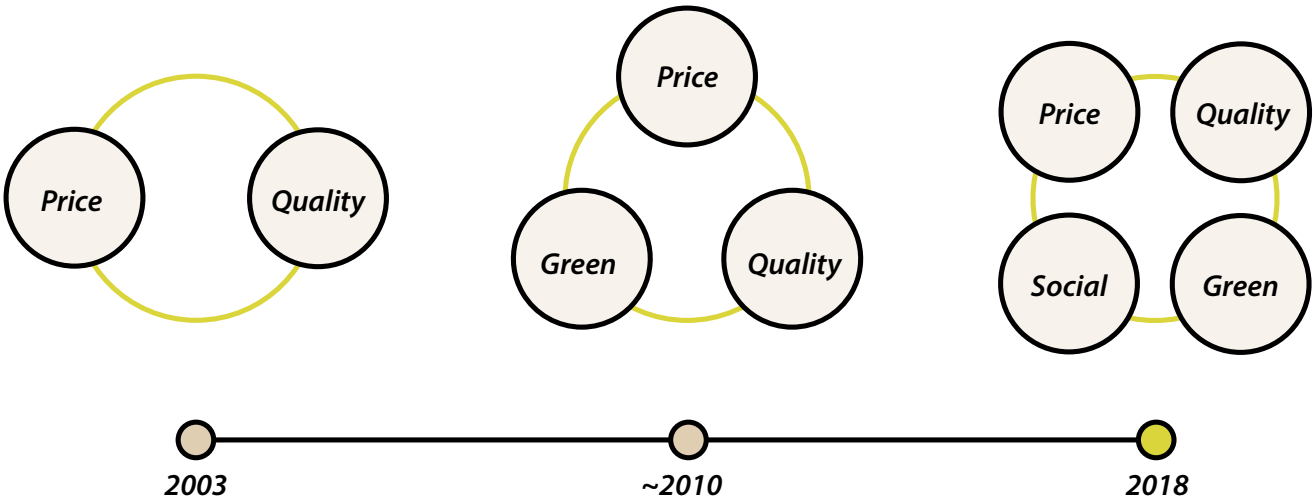
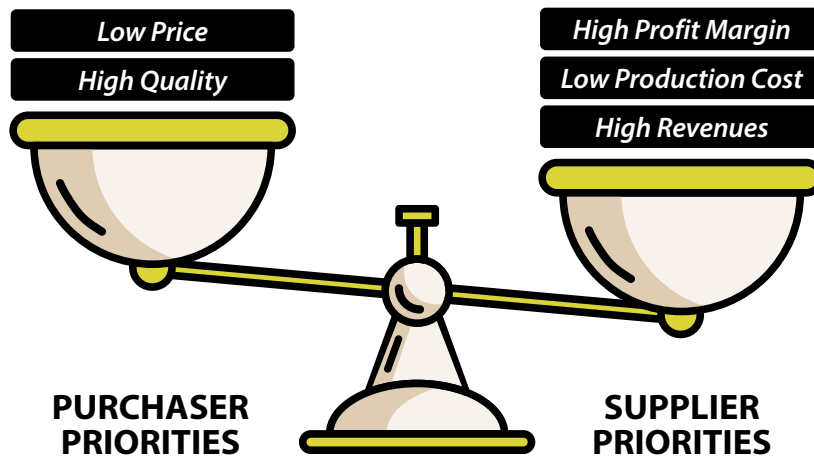


Figure 6: Evolution of Selection Criteria in Procurement Practices.

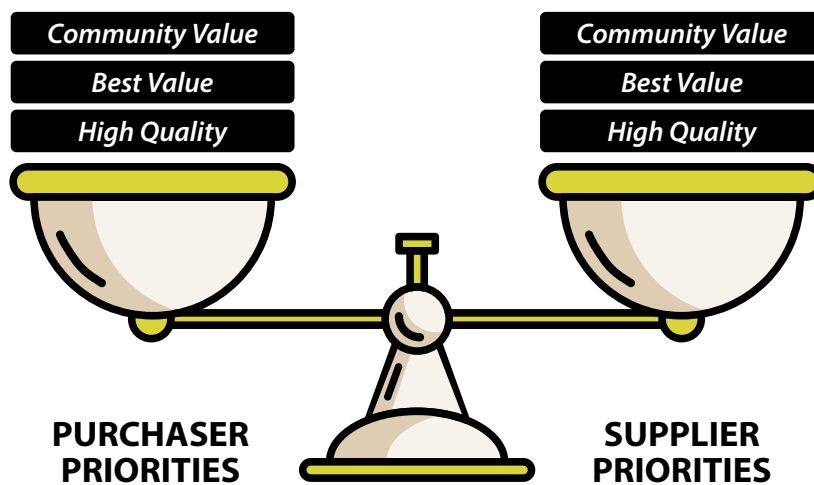
An international academic leader in social procurement research, Jo Barraket, wrote in her book *Social Procurement and New Public Governance* (2016), that the social procurement process is based upon “[e]ncouraging a shift towards procurement based on achieving multiple outcomes in addition to maximizing financial value.”<sup>(4)</sup>

Her analysis identifies the process of social procurement as a ‘shift’ to change the outcome expectations. As we have seen above, 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, as shown in Figure 7.



## TRADITIONAL PROCUREMENT MODEL



## SOCIAL PROCUREMENT MODEL

Figure 7: Purchaser and supplier priorities under a traditional procurement model versus social procurement model. These priorities contribute to community capital creation.

## Governments and Social Procurement

Governments have often been leaders in social procurement practices and policy due to their triple bottom line nature, considering financial, environmental, and social returns. Governments can incorporate environmental and social policy objectives into their procurement needs resulting in cost savings across governmental departments and programs. Some examples of emerging government policy are linked below.

### The Government of Canada:

- In the published *Mandate letter* to the Minister of Public Service and Procurement Canada (PSPC), Prime Minister Trudeau highlights the inclusion of social procurement considerations as a priority.<sup>(5)</sup>
- In June 2018, Infrastructure Canada implemented a *Community Employment Benefits* requirement on major infrastructure projects.<sup>(6)</sup>
- *Bill C-344*, when passed and implemented, will allow the Minister of Public Services and Procurement Canada to include a social value on federal infrastructure investments.<sup>(7)</sup>

### Provincial Governments:

- British Columbia has published *Social Purchasing Guidelines*.<sup>(8)</sup>
- Nova Scotia has adopted a *Social Enterprise Strategy* that includes social procurement for enhancing market access for social enterprises.<sup>(9)</sup>
- Ontario has *Social Procurement and Infrastructure Policies*.<sup>(10)</sup>
- Quebec has a *Social Economy Framework Legislation*.<sup>(11)</sup>
- *Manitoba Housing*<sup>(12)</sup> and *BC Housing* both have social purchasing policy and practices.

### Municipal Governments:

- Victoria, BC – *Social Enterprise and Social Procurement Strategy*<sup>(13)</sup>
- Vancouver, BC – *Sustainable Purchasing* and *Ethical Purchasing Policy*<sup>(14)</sup>
- Toronto, ON – *Social Procurement Program*<sup>(15)</sup>
- The *Village of Cumberland*, BC – *Social Procurement Framework*<sup>(16)</sup>
- Fort McMurray, AB – *RMWB website*



Check out the case study on our website, *The Montreal Story: L'économie sociale, j'achète!*, for more information about the social procurement pilot project out of CESIM that the City of Montreal, among 18 other institutions, participated in.

## ENDNOTES

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2. Roxanne Dunbar-Ortiz, *An Indigenous Peoples’ History of the United States* (Boston, MA: Beacon Press, 2014).
3. Adam Smith, “*Part IV, Chapter 1*,” in *The Theory of Moral Sentiments*, n.d., 184–85.
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9. “*Advancing Social Enterprise in Nova Scotia*” (Halifax, NS: Department of Business, April 2017), <https://novascotia.ca/business/docs/social-enterprise-framework.pdf>.
10. “*Ontario’s Social Enterprise Strategy 2016-2021*” (Toronto, ON: Ministry of Economic Development and Growth, June 21, 2016), <https://www.ontario.ca/page/ontarios-social-enterprise-strategy-2016-2021>.
11. “*Social Economy Act*,” CQLR c E-1.1.1 §, accessed July 3, 2018, <http://legisquebec.gouv.qc.ca/en/ShowDoc/cs/E-1.1.1>.
12. Province of Manitoba and Canadian Community Economic Development Network, “*Manitoba Social Enterprise Strategy: A Strategy for Creating Jobs Through Social Enterprise*,” February 2015, [https://www.gov.mb.ca/housing/pubs/mb\\_social\\_enterprise\\_strategy\\_2015.pdf](https://www.gov.mb.ca/housing/pubs/mb_social_enterprise_strategy_2015.pdf).
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15. City of Toronto, “*Social Procurement Program*,” City of Toronto (blog), August 7, 2017, <https://www.toronto.ca/business-economy/doing-business-with-the-city/social-procurement-program/>.
16. “*Social Procurement*,” The Village of Cumberland, September 1, 2017, <https://cumberland.ca/social-procurement/>.

# IS IT LEGAL TO DO SOCIAL PROCUREMENT?





# Is it Legal to do Social Procurement?

Yes, but...

Trade agreements such as the North America Free Trade Agreement (NAFTA), the Canada-European Union Comprehensive Economic and Trade Agreement (CETA), or the interprovincial trade agreements may apply to your purchasing policy and practice, especially if you are a government entity.

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 procurement. <sup>(1)</sup>

You cannot restrict competition to only local suppliers, but you can require community outcomes from all bidders.

Trade agreements also have exclusions for contracting with non-profit suppliers. Since 76% of social enterprises in Canada are non-profits <sup>(2)</sup>, this allows you to do direct awards to most social enterprises under this allowable exemption. <sup>(3)</sup>

Trade agreements also have financial thresholds of \$25,000, allowing low dollar value procurement to bypass competitive tendering. This means that in practice, for example, you could source catering for many of your events directly from social enterprises without a requirement for competitive bidding.



Trade agreements  
have financial  
thresholds  
of \$25,000



SOCIAL PROCUREMENT FEATURE

## SAP and Potluck Café Society

(Vancouver, BC)

The mission of *Potluck Café Society* is to transform lives by creating jobs and providing healthy food for people living in Vancouver's inner city. Potluck provides quality catering services for SAP's Vancouver location, allowing SAP to leverage its purchasing power to create inclusive employment opportunities for low-income residents in one of Canada's poorest communities.

#### ENDNOTES

1. Darcy Penner and David LePage, “Primer on Trade Agreements for Social Purchasing” (Canadian CED Network, n.d.), [https://ccednet-rcdec.ca/sites/ccednet-rcdec.ca/files/ccednet/ccednet-asiccc-primer\\_on\\_trade\\_agreements\\_for\\_social\\_purchasing.pdf](https://ccednet-rcdec.ca/sites/ccednet-rcdec.ca/files/ccednet/ccednet-asiccc-primer_on_trade_agreements_for_social_purchasing.pdf).
2. Peter R Elson, Peter Hall, and Priscilla Wamucii, “Canadian National Social Enterprise Sector Survey Report 2016,” 2016, 120.
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# OPTIONS FOR SOCIAL PROCUREMENT

# Options for Social Procurement

There are two avenues, or options, for social procurement: one is through the social purchasing of goods and services and the other is through Community Benefit Agreements attached to infrastructure and development projects, as shown in Figure 8.

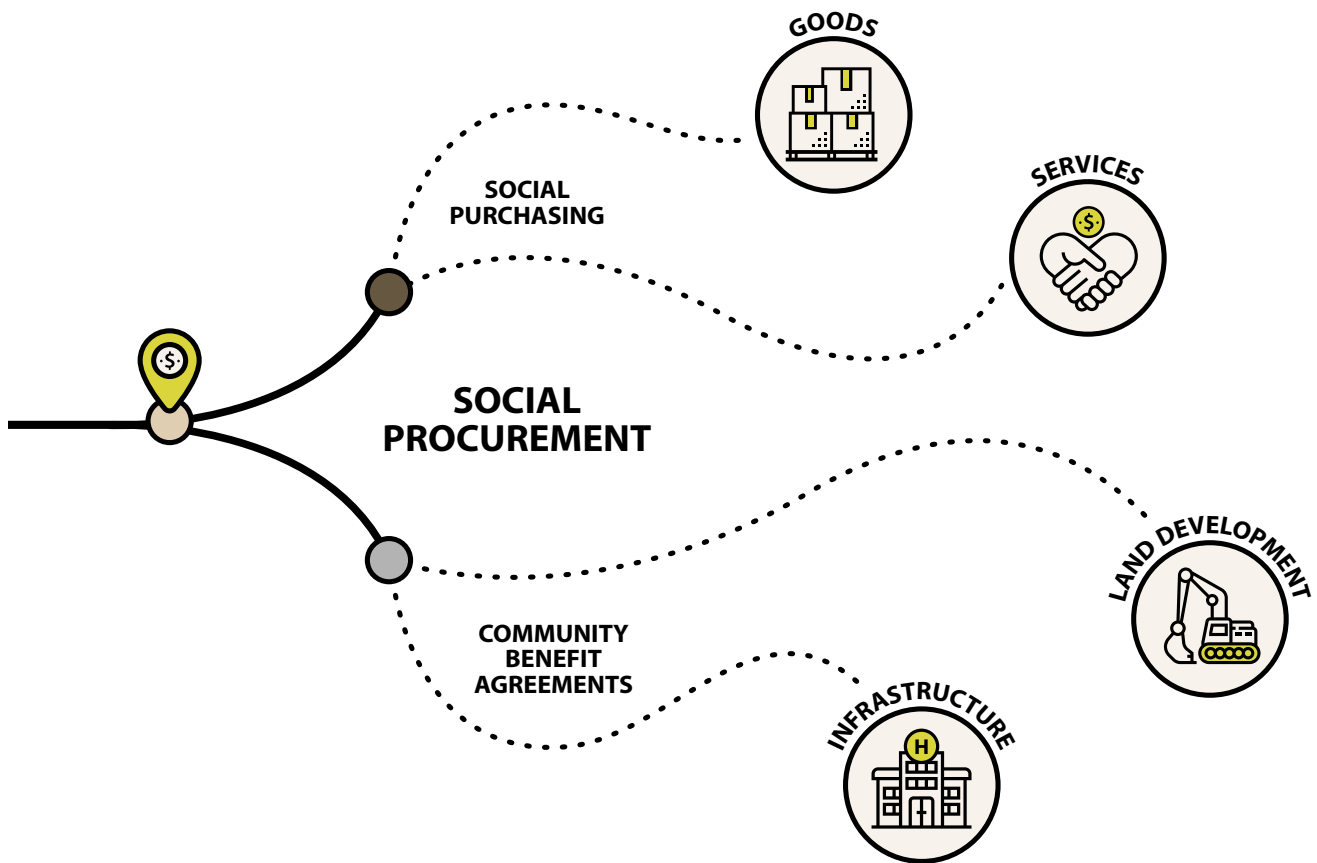


Figure 8: Pathways for Implementing Social Procurement

***BUILD Inc.*** and  
***Manitoba Green Retrofit***  
are social enterprises  
dedicated to creating  
inclusive employment  
opportunities and  
stronger, healthier  
communities.

The purchasing of goods and services is the acquisition of all the items that you currently purchase for your operations, your production supply chain, and other regular business operations. This includes office supplies, catering, cleaning, printing, couriers, and art work. Doing an inventory using the Worksheet 1 provided may be helpful in ascertaining where your opportunities for social purchasing already exist.

Community Benefit Agreements (CBAs) are pre-determined and defined social value outcomes that will be delivered as part of a major infrastructure or land development project like building a bridge, a road, school, hospital, office tower, or transit system. Through a CBA, the community, government, and developer agree upon some social value deliverables, such as job training and purchasing from local businesses and social enterprises during construction; or negotiating supply contracts and access to commercial space after construction.



## SOCIAL PROCUREMENT FEATURE

# Manitoba Housing and BUILD Inc.

(Winnipeg, MB)

*"In 2008, we started doing energy and water retrofits for Manitoba Housing. And then, we were approached by some provincial officials who were involved with a program called Housing First. Housing First was a partly federally funded program that took people off the streets and gave them housing first, and then resources alongside it. They knew that a lot of these apartments were going to be trashed on an annual basis—as much as 50% or more. A lot of money was going to be spent fixing up apartment suites. And they said, 'can you guys at BUILD do these apartment renovations?' And we set up [Manitoba Green Retrofit](#) to do that work."*



For the full case study on this procurement relationship, check out the [Manitoba Housing Story](#) on our website.

*Worksheet 1*

# SOCIAL PURCHASING AUDIT

---

**What do you purchase?**

List five items or services that your organization purchases i.e. office supplies, catering, food service, cleaning services, banking services, couriers, landscaping, etc.

- |          |          |
|----------|----------|
| 1. _____ | 4. _____ |
| 2. _____ | 5. _____ |
| 3. _____ |          |

**Do you have a policy for choosing which suppliers you use?**

- |                      |  |                    |  |
|----------------------|--|--------------------|--|
| Lowest Price         | <input type="radio"/> Yes <input type="radio"/> No | Social Values      | <input type="radio"/> Yes <input type="radio"/> No |
| Quality              | <input type="radio"/> Yes <input type="radio"/> No | Local Businesses   | <input type="radio"/> Yes <input type="radio"/> No |
| Convenience          | <input type="radio"/> Yes <input type="radio"/> No | Social Enterprises | <input type="radio"/> Yes <input type="radio"/> No |
| Environmental Values | <input type="radio"/> Yes <input type="radio"/> No | Other:             | _____  |

**Do you measure the impact of your purchasing?**

Select whether you measure how purchasing impacts the following indicators. In the box below, elaborate on how you measure the indicator.

**Furthering your Mission?**  Yes  No

Specific measures in place:

\_\_\_\_\_

**Local Economy?**  Yes  No

Specific measures in place:

\_\_\_\_\_



**Social Enterprise?**  Yes  No

Specific measures in place:

---

**Budget?**  Yes  No

Specific measures in place:

---

**Environment?**  Yes  No

Specific measures in place:

---

**Other?**  Yes  No

Specific measures in place:

---

# SOCIAL PROCUREMENT OBJECTIVES



# Social Procurement Objectives

In Chapter 2, we discussed how social procurement creates community capital. This chapter offers some formulas and models for establishing your specific community objectives.

There are no predetermined or established social procurement objectives to offer you as a purchaser or to prescribe for any community. Determining your organization's community objectives or priorities begins to evolve in this stage of the social procurement process.

- What are the community needs?
- What are your organizational mission and objectives?

**Some examples include:**

- Social enterprise supply chain opportunities
- Youth employment training
- Apprenticeships
- Affordable community-serving business space
- Community economic development

It is important to consider objectives that you will be able to measure, e.g. the number of contracts to diverse suppliers and social enterprises or hours provided for apprenticeships.

Community stakeholder engagement processes are very valuable at this stage of social procurement design, especially in the Community Benefit Agreement (CBA) process as we will see soon. More information on CBAs can be found in Chapter 5:

Options for Social Procurement and Chapter 8: Social Procurement in Infrastructure and Development Projects.

The design and establishment of the social value components of your procurement process are the beginning of shifting your existing purchasing from just financial transactions to community transformation. During this process, what was merely an economic exchange of money for goods becomes a means to contribute to building a healthy community.

Figure 9 demonstrates how we can shift from the traditional procurement processes of the past to the social procurement practices of the future.

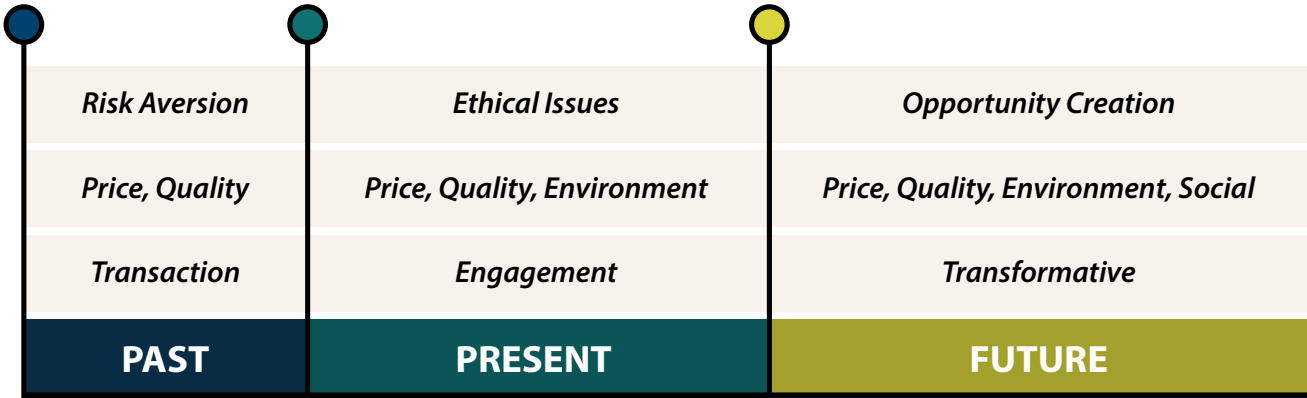


Figure 9: Transition of procurement processes



# SOCIAL PURCHASING IMPLEMENTATION



## Chapter Seven

# Social Purchasing Implementation

As an organization, you are already purchasing goods and services and you already have some framework for deciding how and what to buy. Now is the time to reflect on the criteria you are using. You may still be using the traditional model of price and quality out of convenience or out of habit, but Worksheet 2 can help you decide your new priorities and find your organization's opportunities to shift its process.

Consider two components of purchasing:

- What do you require?
- How do you acquire it?

### Some of the most common opportunities for social purchasing are:

- Catering and Coffee
- Couriers
- Garbage Removal

Mandate letter from the Prime Minister to Minister of Public Services and Procurement Canada:

*"Modernize procurement practices so that they are ... and include practices that support our economic policy goals, including innovation, as well as green and social procurement."*



See the full letter at: <https://pm.gc.ca/eng/minister-public-services-and-procurement-mandate-letter>

**Akcelos** is a new online marketplace for social and sustainable purchases. This Canada-wide directory and e-commerce platform allows you to search for goods and services in your region and to procure from certified social enterprises.

- Glass Repairs
- Graffiti Removal
- Grounds Keeping
- Interior Renovations and Painting
- Janitorial Services
- Parking Lot Maintenance
- Office Supplies and Printing
- Recycling and Waste Management
- Window Cleaning

If any of these align with your procurement needs, there may be a social enterprise, or a local business in your area that can provide that service.

Social purchasing includes several key components: planning, executing, and measuring. If your current purchasing process has this in place, then adding social value criteria will be easy. If you don't have these practices in place, then this process will be more valuable but will require a few more steps. There are five basic social purchasing steps, as shown in Figure 10.

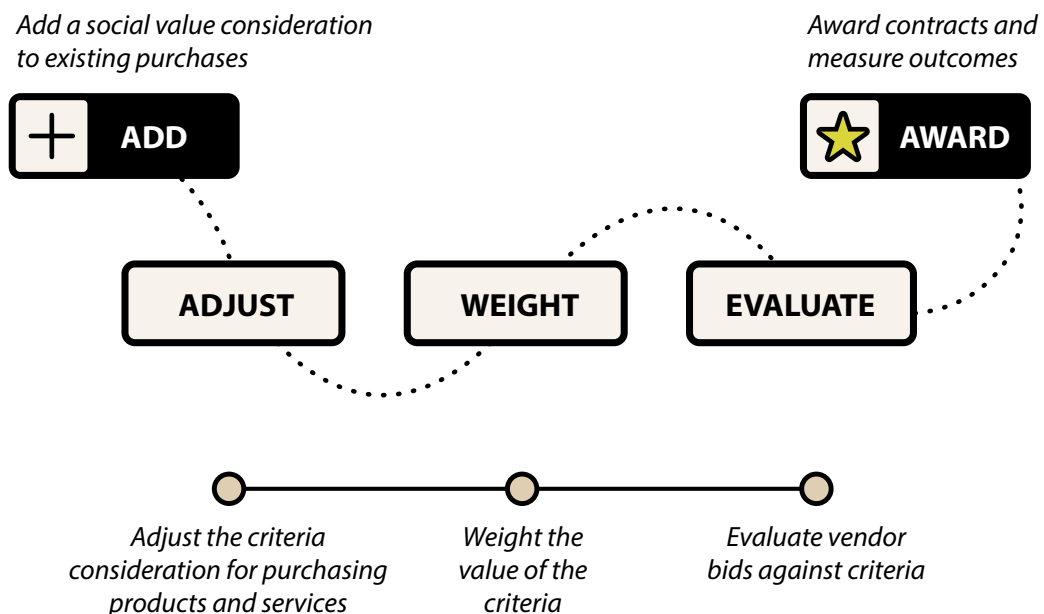


Figure 10: The 5 Steps of Social Purchasing





## SOCIAL SUPPLIER FEATURE

# The Binnners' Project

(Vancouver, BC)

For example, *Binnners' Project* is a charity that provides waste management services in the competitive marketplace. Fees from their social enterprise-modelled programs and services directly serve their mission to build the capacity of bidders, decrease stigma, and increase economic opportunities for their members.

In Chapter 6: Social Procurement Objectives, you have already determined your organizational goals and objectives. Now you'll need to translate your goals and objectives into criteria on which to evaluate your suppliers.

You will evaluate against the criteria to determine which bidder best delivers full value: quality, price, environmental, and social. You can put an intentional focus on social value in your RFPs and evaluate the bids on the blended value score.

**An example of weighting your criteria might look like this:**

- **Compliance** = pass / fail
- **Qualifications** = pass / fail
- **Fees** = 30%
- **Experience of Proponent** = 15%
- **Experience of Key Personnel** = 10%
- **Project Understanding and Methodology** = 15%
- **Project Schedule** = 5%
- **Community Benefit** = 25%

Depending on what you are purchasing, the quality specifications, the price sensitivity, environmental impact, and social outcomes will vary. For example, buying a truck will have entirely different criteria and weighting than a landscaping contract. Purchasing computers for an office rather than catering for a meeting will have its own criteria and weighting but will be trying to achieve similar social outcomes. The computers may include a query on recycling old computers for low income youth while the catering may come from a social enterprise that employs persons with disabilities.

It's important that your procurement team is on board with the weighting criteria by collaborating to gain consensus on the social criteria used and its weight relative to other criteria such as price, quality, and environment. Use Worksheet 3: Social Purchasing Selection Weighting to determine the relative priorities of your evaluation criteria.



**SOCIAL ENTERPRISE FEATURE**

# Ottawa Community Housing and Good Nature Groundskeeping

(Ottawa, ON)

**Good Nature Groundskeeping** (GNG) is an employment social enterprise created by Causeway Work Centre and is presently contracted by Ottawa Community Housing (OCH) through a competitive bid process to provide landscaping services on OCH's properties. This relationship initially began as 3-year pilot project to test the quality of services by GNG and to assist GNG in building its capacity to bid on large competitive tenders issued by Ottawa Community Housing (OCH).



For the full case study, check out [The Ottawa Housing Story](#) on our website.

Some groups choose to use a decision-making software, such as *Ethelo*, to support this process, since it allows groups to work toward agreement on weighting criteria.

If you are finding that you are not getting the outcomes you are hoping for or that social enterprises are not bidding on or winning your RFPs, there are a few areas you can examine to identify and increase opportunities for social enterprises.

- **Simplify your RFP process** and make it easier for social enterprises and small businesses with fewer resources and staff to bid and compete.
- **Increase the weight** you assign to your bid evaluation to give an advantage to social enterprises and other social purchasing businesses. Be flexible with your weighting from contract to contract. You may be able to weight social criteria more highly in some RFPs than others.
- **Consider unbundling large purchases** to allow smaller suppliers to compete. Rather than one large bid, you can break it into several smaller contracts or carve out a small section for a social enterprise. Social enterprises are often small businesses and may not yet have the capacity to bid on large RFPs. By providing revenue-generating opportunities for these small businesses, you can assist them in growing their capacity to take on larger contracts and in furthering their social mission.
- **Encourage your major suppliers** to examine their supply chains to find space to subcontract to social enterprises. Your accounting firm may not be a social enterprise but may need catering and janitorial services that could be procured from a social enterprise.
- **Facilitate engagement opportunities** between your organization and suppliers by convening Meet the Buyer events with social enterprises and social purchasers, providing advanced notification of opportunities to social enterprises, and using a certified supplier directory.
- **Establish pilot projects** and set-aside programs to test new relationships with social enterprise suppliers by providing direct awards to those suppliers that align with your social



## SOCIAL PROCUREMENT FEATURE

# Made with Local and The Flower Cart Group

The three values that drive *Made with Local* are: Love, Nourish, and Community. Made with Local leverages its production supply chain dollars to further its mission by contracting with *Dartmouth Adult Services Centre*, *Stone Hearth Bakery*, and *The Flower Cart Group*, a community of social enterprises serving a dual purpose—working to provide employment training opportunities that enrich the lives of participants and adding value for local food businesses.

procurement objectives. Direct awarding to social enterprise can be legally used for non-profit organizations and for contracts under \$25,000. See Chapter 4: Is It Legal to Do Social Procurement? for more information on your legal obligations and exemptions with regards to procurement in Canada.

- **Solicit bids** from your targeted suppliers. Be pro-active in finding suppliers to bid on your RFPs and reach out to them directly. Let them know that you evaluate bids using a social procurement framework.
- **See Worksheet 4:** Assessing Your Social Procurement Opportunities

## RFP Language

Use your RFP to explicitly define the criteria you are using to evaluate bids, and the outcomes you are looking to achieve through your procurement. An example of RFP language comes from BC Housing, an organization committed to sustainable procurement, whereby “*both environmental considerations and socially responsible practices are incorporated into our policies and procedures and impact the products and services we procure. Areas considered include, but are not limited to:*”

### Following is a list of descriptive (not prescriptive) considerations:

**Social Enterprise:** Providing opportunities to Aboriginals, individuals with barriers to employment and Non-Profit entities

**Community Benefit:** Consideration to small & medium businesses, local labour forces and suppliers with strong community involvement

**Apprenticeship & Training:** Consideration to suppliers with targeted recruitment and training programs, providing employment to new entrants

**Innovation:** Suppliers who have developed new, innovative and value-added methods/products.

Often in an RFP or similar document, the purchaser may be *prescriptive* on product or service requirements and the price, but more *descriptive* on environment and social value.

## Identifying Social Value Suppliers

*“Procuring from social enterprises makes absolute business sense—research has shown that businesses with more diverse supply chains have higher staff satisfaction and retention, perform better and are more innovative. This is money businesses need to spend anyway, getting the same quality of goods and services but with a clear benefit to society—a strong statement of responsible business.”*



Visit here for more details: <https://akcelos.com/en>

A common challenge in executing social procurement is finding, connecting, and contracting with social value suppliers to meet your procurement need and the social goals identified in your planning and goal-setting process. Often this process involves building new relationships and using new resources in your procurement processes.

There are some evolving resources, including [Akcelos](#), a national on-line social enterprise market platform. Buy Social Canada’s site also has a list of regional partners that can help connect local purchasers with local suppliers.

Another helpful method is to realize that not every purchase will have the ‘ideal’ supplier. You can include weighting using a concentric circle model for choosing suppliers. See Figure 11.

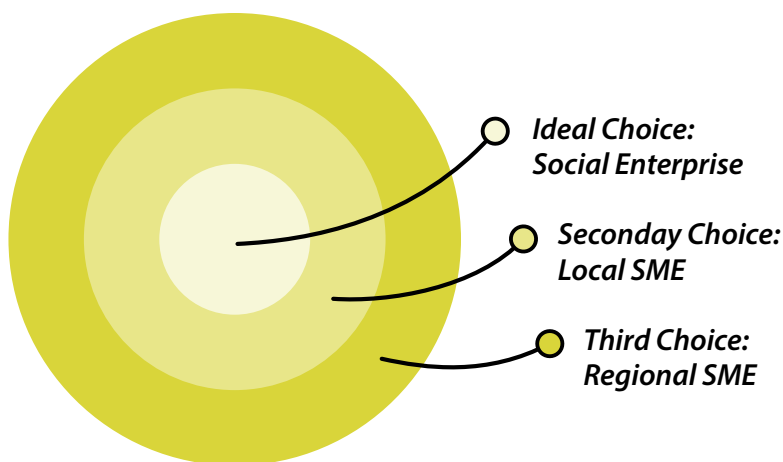


Figure 11: Concentric circle model for choosing suppliers. While social enterprises are the ideal choice, small-medium enterprises (SMEs) can also provide many local benefits.

You may want to also consider adding a **supplier diversity policy** to your social procurement framework.

This model is a simplified version. Be careful in determining how local a small-medium enterprise (SME) is. If possible, consider where their headquarters and operations are located, and consider the communities in which most of their employees would live. A regional SME may provide more local jobs to low-income or target populations than a local one.

You may want to also consider adding a **supplier diversity policy** to your social procurement framework. In this model, you can include more women-owned, aboriginal-owned, minority-owned and LGBTQ+ owned businesses into your supply chain and contracts.



## What is a Social Enterprise?

A social enterprise is a business with an embedded social, environmental, or cultural purpose that reinvests the majority of its profits back into the social purpose. As their business grows, their social impact increases.

For example, *Eva's Print Shop* is a full-service digital printer that provides excellent quality products and services at competitive rates.

At the same time, their customers transform the lives of homeless youth because profits go toward Eva's Initiatives for Homeless Youth. By printing with Eva's, hundreds of young people get skill training, work experience, education, shelter, housing, and the caring support they need to build futures free of homelessness.





MAPLE  
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*Worksheet 2*

# SOCIAL PROCUREMENT POLICY FRAMEWORK

As your organization strives to have a positive effect on the economic and social value in your community, your procurement policy and practices will reflect your economic, social and environmental principles and values to support this vision.

In all sourcing decisions for operational goods and services, the criteria will include, but not be limited to the following.

### Social Procurement Principles

Below is a list of potential goals for a social procurement framework at your organization. Rank each goal according to your organization’s priorities. Then, determine if this goal could be met through something your organization purchases.

GOALS	LEVEL OF PRIORITY // ALIGNED WITH PURCHASE OF WHAT PRODUCTS/SERVICES?
Targeted contracts which stimulate local economic development and community benefits	<input type="radio"/> High <input type="radio"/> Medium <input type="radio"/> Low
Provide a measurable social impact	<input type="radio"/> High <input type="radio"/> Medium <input type="radio"/> Low
Ensure environmental responsibility	<input type="radio"/> High <input type="radio"/> Medium <input type="radio"/> Low
Leadership in business ethics and professional conduct	<input type="radio"/> High <input type="radio"/> Medium <input type="radio"/> Low
Resource and energy conservation	<input type="radio"/> High <input type="radio"/> Medium <input type="radio"/> Low

GOALS	LEVEL OF PRIORITY // ALIGNED WITH PURCHASE OF WHAT PRODUCTS/SERVICES?
Support financial independence	<input type="radio"/> High <input type="radio"/> Medium <input type="radio"/> Low
Ensure value for money	<input type="radio"/> High <input type="radio"/> Medium <input type="radio"/> Low

MEASURABLE GOALS	LEVEL OF PRIORITY // ALIGNED WITH PURCHASE OF WHAT PRODUCTS/SERVICES?
Opportunities which increase the participation by local, social enterprises and /or small businesses, artists and artisans	<input type="radio"/> High <input type="radio"/> Medium <input type="radio"/> Low
Preference will be given to those suppliers which provide low barrier employment; employment and/or training programs for youth; and may offer employee benefits	<input type="radio"/> High <input type="radio"/> Medium <input type="radio"/> Low
Preference will be given to organizations which have a comprehensive environmental and social governance policy including supplier codes of conduct	<input type="radio"/> High <input type="radio"/> Medium <input type="radio"/> Low
Supports the use of indigenous and/or domestic materials wherever possible and/or materials which are from sustainable sources	<input type="radio"/> High <input type="radio"/> Medium <input type="radio"/> Low
A total cost of ownership business case will be developed including an assessment of the economic multiplier effect to determine the best value	<input type="radio"/> High <input type="radio"/> Medium <input type="radio"/> Low

MEASURABLE GOALS	LEVEL OF PRIORITY // ALIGNED WITH PURCHASE OF WHAT PRODUCTS/SERVICES?
Compliance with international standards which focus on improvements to business ethics, environmental, energy, safe and healthy work places including subcontractors	<input type="radio"/> High <input type="radio"/> Medium <input type="radio"/> Low
Promote diversity in the workforce	<input type="radio"/> High <input type="radio"/> Medium <input type="radio"/> Low
Contribute to the social capital of the community	<input type="radio"/> High <input type="radio"/> Medium <input type="radio"/> Low
Innovations which contribute to the conservation of natural resources	<input type="radio"/> High <input type="radio"/> Medium <input type="radio"/> Low
Provide opportunities to engage with local universities and college students on projects	<input type="radio"/> High <input type="radio"/> Medium <input type="radio"/> Low
Suppliers are able to consistently perform at a level which meets and/or exceeds expectations	<input type="radio"/> High <input type="radio"/> Medium <input type="radio"/> Low
Contributions through philanthropic strategies or in-kind donations	<input type="radio"/> High <input type="radio"/> Medium <input type="radio"/> Low

Worksheet 3

# SOCIAL PURCHASING SELECTION WEIGHTING

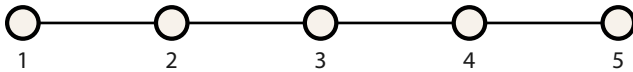
Select examples of products or services that your organization purchases, and then examine the key considerations in purchasing the item. What are your organization’s priorities when purchasing this good or service? After considering the quantitative and qualitative priorities, use the scale to weight the importance of each criteria in selecting the supplier. Key considerations in this purchase:

- **Price** (i.e. budget constraints, previous purchasing prices, etc.)
- **Quality** (i.e. technical specifications, reputation of supplier, public service record of supplier, etc.)
- **Environment** (i.e. packing and shipping impacts, energy consumption, supplier has a sustainability strategy, supplier is third party-certified to have a reduced impact)
- **Social** (i.e. supplier offers targeted employment and training opportunities, supplier is a social enterprise, supplier is aligned with your organization’s values, supplier is third party-certified to meet social criteria, etc.)

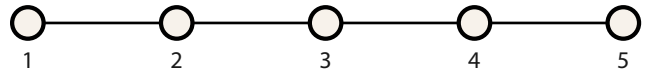
**Product/Service:** \_\_\_\_\_

**Product/Service:** \_\_\_\_\_

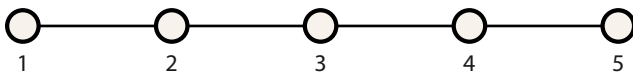
**Price**



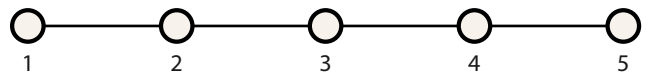
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**Quality**



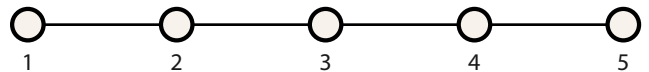
**Quality**



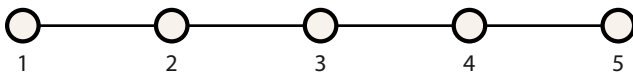
**Environment**



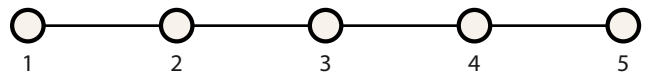
**Environment**



**Social**

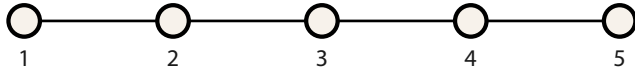


**Social**

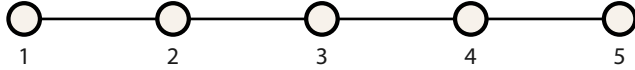


Product/Service: \_\_\_\_\_

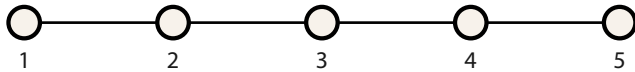
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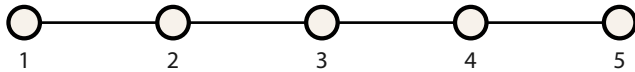
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Environment

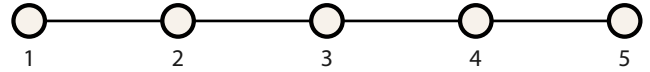


Social

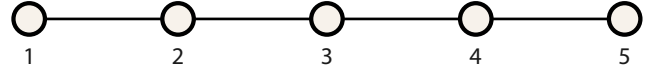


Product/Service: \_\_\_\_\_

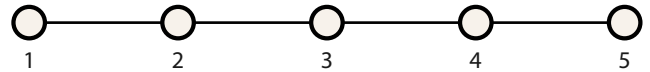
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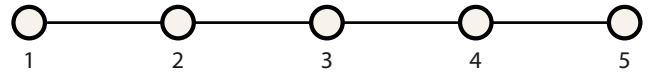
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Environment

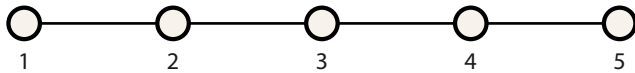


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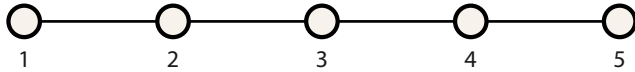


Product/Service: \_\_\_\_\_

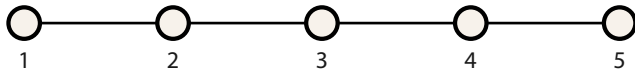
Price



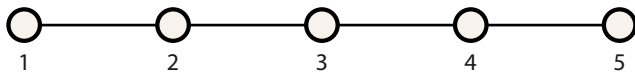
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Environment

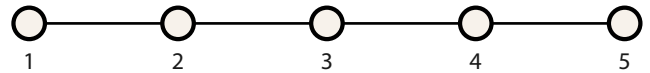


Social

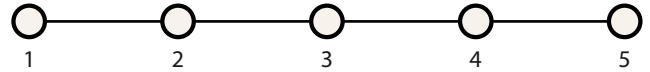


Product/Service: \_\_\_\_\_

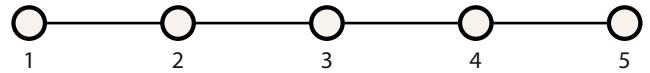
Price



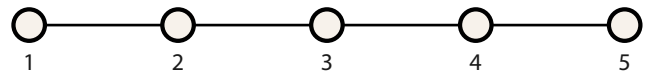
Quality



Environment



Social



Worksheet 4

# ASSESSING YOUR SOCIAL PURCHASING OPPORTUNITIES

OPPORTUNITY	STATUS AT ORGANIZATION // NEXT STEP/ACTION
<b>Engagement</b>	
Convene Buyer & Supplier Networking Events	<input type="checkbox"/> We are <input type="checkbox"/> We could <input type="checkbox"/> We should
Provide Advanced Notification of Opportunities	<input type="checkbox"/> We are <input type="checkbox"/> We could <input type="checkbox"/> We should
Utilize a Certified Supplier Directory	<input type="checkbox"/> We are <input type="checkbox"/> We could <input type="checkbox"/> We should
Other:	<input type="checkbox"/> We are <input type="checkbox"/> We could <input type="checkbox"/> We should

OPPORTUNITY	STATUS AT ORGANIZATION // NEXT STEP/ACTION
<b>Internal Policy</b>	
Simplify the RFP Process	<input type="checkbox"/> We are <input type="checkbox"/> We could <input type="checkbox"/> We should
Adjust Criteria Weighting	<input type="checkbox"/> We are <input type="checkbox"/> We could <input type="checkbox"/> We should
Unbundle Large Contracts	<input type="checkbox"/> We are <input type="checkbox"/> We could <input type="checkbox"/> We should

OPPORTUNITY	STATUS AT ORGANIZATION // NEXT STEP/ACTION
<b>Internal Policy</b>	
Pilots	<input type="checkbox"/> We are <input type="checkbox"/> We could <input type="checkbox"/> We should
Establish a Set Aside Program	<input type="checkbox"/> We are <input type="checkbox"/> We could <input type="checkbox"/> We should
Use Direct Awarding when Available	<input type="checkbox"/> We are <input type="checkbox"/> We could <input type="checkbox"/> We should
Non-profits Exemption Options	<input type="checkbox"/> We are <input type="checkbox"/> We could <input type="checkbox"/> We should
Financial Thresholds Effectively	<input type="checkbox"/> We are <input type="checkbox"/> We could <input type="checkbox"/> We should
Solicit Bids from Targeted Suppliers	<input type="checkbox"/> We are <input type="checkbox"/> We could <input type="checkbox"/> We should
Intentionally Include Target Suppliers in bids	<input type="checkbox"/> We are <input type="checkbox"/> We could <input type="checkbox"/> We should
Other:	<input type="checkbox"/> We are <input type="checkbox"/> We could <input type="checkbox"/> We should



OPPORTUNITY	STATUS AT ORGANIZATION // NEXT STEP/ACTION
<b>Partners</b>	
Encourage Joint Ventures	<input type="checkbox"/> We are <input type="checkbox"/> We could <input type="checkbox"/> We should
Encourage Subcontracting from Targeted Suppliers	<input type="checkbox"/> We are <input type="checkbox"/> We could <input type="checkbox"/> We should
Other:	<input type="checkbox"/> We are <input type="checkbox"/> We could <input type="checkbox"/> We should



# **SOCIAL PROCUREMENT IN INFRASTRUCTURE AND DEVELOPMENT PROJECTS**



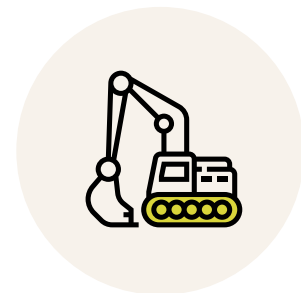
# Social Procurement in Infrastructure and Development Projects

When applying social procurement policy and practice to infrastructure or land development projects, the dominant model is Community Benefit Agreements (CBAs). A CBA is an agreement between the government, developer, and community. They are either binding agreements and contracts, or they may be an informal agreement. Mechanisms for ensuring compliance with CBA requirements vary from case to case. A range of mechanisms for compliance can be employed, including surety bonds, legally binding agreements, and/or municipal permitting.

The CBA defines the benefits that will be generated through the life cycle of the development: design, construction, and operation.

Major infrastructure and development projects can be broken down into three key phases:

- 1. Design:** the planning for the project – this is the phase where assessment of opportunities, negotiation of social value outcomes and contracts take place
- 2. Build:** the construction of the project – what social value can be created during the construction phase, including a broad range of training, targeted employment, and supply chain initiatives
- 3. Operation:** the life span of the project – another entire set of opportunities, including service contracts (cleaning, landscaping, grounds keeping), access to commercial or maker space for community-focused businesses or for social enterprises



 An Ontario example of Community Benefits Agreements: Check out the report by [The Mowat Centre](#).

*“Through its infrastructure investments, the Government of Canada is committed to creating long-term economic growth and supporting local employment by providing more inclusive opportunities to under-represented groups.”<sup>(1)</sup>*

Buy Social Canada has developed a Social Value Procurement Menu for CBAs to help facilitate the discussion, the identification of priorities, and the measurable outcomes.

Each of these phases offer a variety of opportunities for community benefits. Common community benefits include: local or targeted employment, local or targeted purchasing, training and apprenticeship opportunities, access to commercial space, and building maintenance contracts with social enterprises.

Every project should be examined through a multi-stakeholder process to maximize and prioritize these opportunities. Every identified priority should have a measurable outcome that is monitored and reported back to the community. It is recommended that a third-party monitor and evaluation entity be engaged throughout the entire process to ensure that targets are not only met, but also measured.

Buy Social Canada has developed a Social Value Procurement Menu for CBAs to help facilitate the discussion, the identification of priorities, and the measurable outcomes. Since every project is different, and every community has a different set of desired local outcomes, the Menu is designed to allow for a variable set of activities that together will establish the agreed upon CBA parameters, goals and measurable outcomes. The Social Value Procurement Menu is available on our website [here](#).

Use Worksheets 5, 6, and 7: Defining Objectives & Measuring Outcomes to identify opportunities and priorities for a CBA, determine the metrics to be used, and decide upon the bureaucratic processes surrounding it.

#### ENDNOTES

1. Cision, *“The Government of Canada Encourages Community Employment Benefits through Infrastructure Projects.”*

In the Parq Vancouver urban resort and casino CBA, municipal permits were used as the compliance mechanism. The City of Vancouver required Parq to hit specified milestones before issuing operating and other municipal permits.



For the full case study on the Parq CBA, check out the [\*Embers Staffing Solutions Story\*](#) on our website.



*Worksheet 5*

# COMMUNITY BENEFIT AGREEMENTS

## Defining Objectives & Measuring Outcomes: Design Phase

There are three phases of opportunity to generate community benefit:

1. The Design Phase
2. The Construction/Build Phase
3. The Operation and Occupancy Phase

### THE DESIGN PHASE

#### The Community Engagement Model and Process

**Which stakeholders are involved?**

- Government   
  Project owner/Developer   
  Community Representatives  
 Other: \_\_\_\_\_

**How are stakeholders engaged?**

- Planned & Facilitated Process  
 Other: \_\_\_\_\_

**When are stakeholders engaged?**

- Pre-Project Design   
  Project Design & Approval Process   
  Pre-Contract   
  Post-Contract

**What are the roles and responsibilities of each party to the agreement?**

- Consultation Only   
  Engaged Process   
  Agreement Partners

**What are the parameters of the agreement?**

---

**Who decides?**

---

**What could happen?**

---

**What is the reporting & evaluation process?**

---

**What is the monitoring process?**

---

**Compliance Covenant (Carrots & Sticks)**

---

**IDENTIFYING LONG TERM OBJECTIVES**

**What could the project deliver for the community?**

Economic impact objectives

---

Social impact objectives

---

Environmental impact objectives

---

**What could the project provide during construction?**

Procurement    Employment

Other \_\_\_\_\_

**What could the project provide after construction?**

Space allocation and use    Maintenance and services    Public amenities

Other \_\_\_\_\_



*Worksheet 6*

# COMMUNITY BENEFIT AGREEMENTS

## Defining Objectives & Measuring Outcomes: Construction Phase

There are three phases of opportunity to generate community benefit:

1. The Design Phase
2. The Construction/Build Phase
3. The Operation and Occupancy Phase

### THE CONSTRUCTION/BUILD PHASE Employment

Targeted hiring is directly hiring employees who face barriers to traditional employment. Barriers include, but are not limited to, physical, mental, or developmental disabilities, long-term unemployment, little to no work experience, age, culture, language, criminal record, substance abuse history, homelessness, or lacking basic and/or soft skills.

**TARGETED HIRING**

**Is there employment through a social enterprise contractor?**

- \_\_\_\_\_ \$ spent on wages
- \_\_\_\_\_ # of hours
- \_\_\_\_\_ # hired (headcount)
- \_\_\_\_\_ Full-time equivalent hours

**Is there local employment i.e. employees whose primary residence is in the local community/catchment area?**

- \_\_\_\_\_ \$ spent on wages
- \_\_\_\_\_ # of hours

\_\_\_\_\_ # hired (headcount)  
 \_\_\_\_\_ Full-time equivalent hours

**Is there part-time local employment?**

\_\_\_\_\_ \$ spent on wages  
 \_\_\_\_\_ # of hours  
 \_\_\_\_\_ # hired (headcount)  
 \_\_\_\_\_ Full-time equivalent hours

**Is there full-time local employment?**

\_\_\_\_\_ \$ spent on wages  
 \_\_\_\_\_ # of hours  
 \_\_\_\_\_ # hired (headcount)  
 \_\_\_\_\_ Full-time equivalent hours

**Are there other employment targets?**

Union    Youth  
 Other: \_\_\_\_\_

**TRAINING**

**Are there entry level positions (through employment service providers)?**

\_\_\_\_\_ \$ spent on wages  
 \_\_\_\_\_ # of hours  
 \_\_\_\_\_ # hired (headcount)  
 \_\_\_\_\_ Full-time equivalent hours

**Are there apprenticeships?**

\_\_\_\_\_ # of apprenticeships started  
 \_\_\_\_\_ # of apprenticeships completed  
 \_\_\_\_\_ # of apprentices employed  
 \_\_\_\_\_ # weeks/months of apprenticeship experience  
 \_\_\_\_\_ \$ paid to apprentice wages/salaries

**Is there skills training?**

\_\_\_\_\_ # of hours of training offered  
 \_\_\_\_\_ # of employees who have completed a course  
 \_\_\_\_\_ \$ spent on training

Other: \_\_\_\_\_

**PROCUREMENT**

**How much was purchased from social enterprises?**

\_\_\_\_\_ \$ spent

\_\_\_\_\_ # of contracts

\_\_\_\_\_ List of Products

\_\_\_\_\_ List of Services

**How much was purchased within the local community?**

\_\_\_\_\_ \$ spent

\_\_\_\_\_ # of Contracts

\_\_\_\_\_ List of Products

\_\_\_\_\_ List of Services

\_\_\_\_\_ % of total procurement spent locally

\_\_\_\_\_ % spent on small enterprises

\_\_\_\_\_ % spent on medium enterprises

\_\_\_\_\_ % spent on social enterprises

**How much was spent within the defined catchment area?**

\_\_\_\_\_ \$ spent on small enterprises

\_\_\_\_\_ \$ spent on medium enterprises

\_\_\_\_\_ \$ spent on social enterprises

\_\_\_\_\_ % of total procurement spent locally

\_\_\_\_\_ % spent on small enterprises

\_\_\_\_\_ % spent on medium enterprises

\_\_\_\_\_ % spent on social enterprises

\_\_\_\_\_ % of local contracts to SMEs paid  
within 30 days of receipt of delivery

\_\_\_\_\_ % of local contracts to SMEs paid  
within 10 days of receipt of delivery

**How much was spent within the region?**

- \_\_\_\_\_ \$ spent within catchment area
- \_\_\_\_\_ \$ spent on small enterprises
- \_\_\_\_\_ \$ spent on medium enterprises
- \_\_\_\_\_ \$ spent on social enterprises
- \_\_\_\_\_ % of total procurement spent locally
- \_\_\_\_\_ % spent on small enterprises
- \_\_\_\_\_ % spent on medium enterprises
- \_\_\_\_\_ % spent on social enterprises
- \_\_\_\_\_ % of local contracts to SMEs paid within 30 days of receipt of delivery
- \_\_\_\_\_ % of local contracts to SMEs paid within 10 days of receipt of delivery

**How much spent within the country?**

- \_\_\_\_\_ \$ spent within catchment area
- \_\_\_\_\_ % of total procurement spent locally

**How much was spent within province/territory/state?**

- \_\_\_\_\_ \$ spent within catchment area
- \_\_\_\_\_ \$ spent on small enterprises
- \_\_\_\_\_ \$ spent on medium enterprises
- \_\_\_\_\_ \$ spent on social enterprises
- \_\_\_\_\_ % of total procurement spent locally
- \_\_\_\_\_ % spent on small enterprises
- \_\_\_\_\_ % spent on medium enterprises
- \_\_\_\_\_ % spent on social enterprises

Worksheet 7

# COMMUNITY BENEFIT AGREEMENTS

## Defining Objectives & Measuring Outcomes: Operation and Occupancy Phase

There are three phases of opportunity to generate community benefit:

1. The Design Phase
2. The Construction/Build Phase
3. The Operation and Occupancy Phase

### THE OPERATION AND OCCUPANCY PHASE Providing Access to Commercial/retail Space

**Is there affordable commercial space for social enterprises?**

\_\_\_\_\_ # of square feet  
 \_\_\_\_\_ \$ of rent foregone

**Is there affordable retail space for local entrepreneurs?**

\_\_\_\_\_ # of square feet  
 \_\_\_\_\_ \$ of rent foregone

#### PROCUREMENT OF GOODS/SERVICES

**Are the following goods and services procured from social enterprise suppliers?**

- Landscaping and Grounds-keeping
- Catering
- Couriers
- Painting
- Janitorial
- Recycling
- Graffiti Removal
- Window Cleaning
- Glass Repairs
- Parking Lot Maintenance
- Garbage Removal

- Interior Renovations
- Office Supplies
- Coffee
- Other: \_\_\_\_\_

**AMENITIES AND COMMUNITY CONTRIBUTIONS**

**Are there public space amenities?**

- Community park and/or garden
- Community playground
- Community event space (outdoor)
- Community use (Farmer's market, etc.)

**Are there community services?**

- Daycare spaces
- Other: \_\_\_\_\_

**Are there cultural services?**

- Public art/local artists
- Performance/exhibit space

**What kind of contributions or gifts were made?**

- Cash
  - In-kind donations
  - Employee volunteers
  - Other gifts: \_\_\_\_\_
-





# MEASURING OUTCOMES



# Measuring Outcomes

To measure the progress and success of social procurement initiatives, your organization should decide upon key metrics to track. This can be as simple as tracking data on your procurement spending. Which metrics you track will depend on your social procurement goals, and how they contributed towards building community capital, as discussed in Chapter 7: Social Procurement Objectives.

If you have used the guidelines and processes in Chapter 7 to determine your goals and priorities, the measurement of your outcomes is very simple. Each outcome is measured through the framework of community capital based on your community or project goals. You will now just need to transform these goals into simple, effective, and measurable outcomes.

Note that you are trying to measure your direct and intentional outcomes, and not your impacts. Even direct impacts can be difficult and expensive to measure and are not necessary in implementing social procurement and achieving your community objectives.

The metrics you define will be used to determine your baseline, and then track your progress on your social procurement objectives. You can also use these metrics to create a strategic plan for implementing and increasing your social procurement objectives by creating goalposts and milestones for your metrics.

Buy Social Canada has developed a tool for tracking outcomes of social procurement initiatives called the Social Value Procurement Menu. The Menu is available on our website [here](#).

You can use Worksheet 8: Measuring Outcomes to help you work backwards from your social procurement objective to a measurable outcome to a specific trackable metric. Refer to Figure 12 for examples of how this can be done and to help you decide the right metrics for your organization.

SOCIAL PROCUREMENT OBJECTIVE	MEASURABLE OUTCOME	TRACKABLE METRICS
Local or community economic development	Economic opportunities for local and social enterprises	\$ procured from local and social enterprises # of contracts awarded to local and social enterprises
Decreased poverty	Low barrier income generating employment opportunities for residents	\$ procured from social enterprises with social hiring and training missions
Sustainability	Decreased carbon footprint	% of transactions from locally-based businesses
Diversity	Supplier diversity (Procurement from minority-owned businesses)	\$ total procured from minority-owned small businesses
Lifelong learning	Support for apprenticeship programs	# training hours for apprentices

Figure 12: Examples of metrics for measuring progress towards social procurement objectives

*Worksheet 8*

# MEASURING OUTCOMES

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**WHY? – WHAT IS THE COMMUNITY ISSUE YOU ARE TRYING TO ADDRESS?**

**HOW?**

<b>OUTCOME</b>	<b>ACTIVITY</b>	<b>INDICATOR</b>
<b>Local Employment</b>	<b>Targeted Hiring</b>	<b># People with Barriers Hired and # Labour Hours</b>

**REPORTING**

Once you have decided on what you want to achieve, you can design the reporting systems. In building your reporting system, consider what you can use to monitor, adjust and evaluate. One important consideration is the stakeholders that need to be informed of results. Who needs to know what?



**CLOSING COMMENTS**

# Closing Comments

When we redefine procurement from merely an economic transaction into a tool for community transformation, we can harness the power of social procurement to help address critical social, economic, and environmental issues in our communities. Social procurement leverages our existing purchasing to generate the community capital that transforms diminished neighbourhoods into healthy communities.

As you consider a social procurement policy, implementation and measurement framework, remember that your objective is to align your social purpose—what you want to contribute to the community—with your existing purchasing. You can intentionally determine the economic, environmental, and social ripples of your purchases and contracts.

## What are my next steps?

Through a Guide to Social Procurement, you've been introduced to the *why*, *what*, and *how* of social procurement and have made an excellent start on your path to implementing social procurement at your institution. However, there are many more resources available to assist you in developing your framework, educating your procurement staff on implementation, and establishing new relationships with social enterprises and socially conscious businesses. We can help.

You can get in contact with the Buy Social Canada team to set up a meeting with a team member or to schedule a customized and localized workshop for your organization's staff on the why, what, and how of social procurement and to answer any questions and concerns that may arise.

Through a partnership between Buy Social Canada and *Common Good Solutions*, *Social Enterprise Institute* offers an Accelerated Certificate in Social Procurement.

Through the Social Procurement Accelerated Certificate you will further learn about social purchasing and community benefit agreements, how to develop an appropriate policy framework, engage stakeholders in program design, draft criteria to evaluate bids, and measure impact. This program offers self-paced online courses, a live workshop, an opportunity to draft your own social procurement model and receive feedback from an expert and one-on-one coaching.



For more information, check out the SEI online courses at: <https://www.buysocialcanada.com/social-enterprise-institute-courses>.

Finally, don't forget to get certified by us as a Certified Social Supplier or Purchaser. We can assist in growing your networks, giving access to further tools and resources, analyzing your impact, and telling your story. For more details, visit our website: <https://www.buysocialcanada.com/social-purchaser-certification>.



# Social Procurement Glossary

## Anchor Institution

An anchor institution is a major organization located in a community. Examples include universities, libraries, and hospitals.

## Bid Document

Bid documents are documents submitted by a supplier to support its 'offer' to provide an organization with its required goods or services.

## Charity

A charity is non-profit organization meeting specific criteria and recognized by the government with the primary goal of promoting social wellbeing by focusing on specific defined charitable purposes. <https://www.canada.ca/en/revenue-agency/services/charitiesgiving/charities/charities-giving-glossary.html>

## Community Benefit Agreement (CBA)

A community benefit agreement (CBA) is an agreement between community, government, and developers that ensures development projects enhance local social, environmental, and economic opportunities. <http://www.forworkingfamilies.org/cblc/cba>

## Community Benefit Options

Community benefit options are the social, environmental, and economic opportunities that community, government, and developers negotiate to include in CBAs.

## Community Capital

Community capital describes the total assets of a community that the community benefits from and can invest into community development. It consists of the six main types of capital: social capital, human capital, cultural capital, natural capital, economic capital, and physical capital. Community capital is essential to a sustainable community and builds relationships between various community groups and processes.

## Community Engagement

Community engagement is the collaborative process in which local residents, organizations, businesses and other groups come together to address community challenges. It may also refer to the process in which developers and the municipal government consult with these groups to identify opportunities for enhancing the well-being of the community during development projects.

## Community Impact Objectives

A community impact objective is a social, environmental, or economic goal pursued by an organization to generate a specified type and amount of community benefit. Examples of community impact objectives are improving community access to clean water and affordable housing.

## Community Value

Community value is generated as a result of social procurement.

## Competitive Restraints

A competitive restraint is a limitation that prevents or reduces competition in a market. Types of competitive restraints include non-competition agreements, exclusive service clauses, and trade agreements.

## Crown Corporation

A crown corporation is a corporation established and regulated by a government. Crown corporations are used to advance government policy objectives and provide specific services, such as social housing.

## Cultural Capital

Cultural capital consists of a community's languages, practices, and values.

## Diversity

Diversity is the differences between individuals within an organization, and it serves to promote innovation and growth within the organization. Types of diversity can include cultural, socio-economic, and experiential diversity.

## Economic Capital

Economic capital consists of a community's monetary wealth, including money, shares, and bonds.

## Environmental Impact

Environmental impact describes the positive and negative effects an organization has on a community's natural environment.

## GDP

Gross domestic product (GDP) is the total monetary value of all goods and services produced by a country. GDP estimates are used to determine and compare the economic progress different countries.

## Human Capital

Human capital consists of the labour, skills, and ideas that community members provide to the community.

## Impact Measurement

Impact measurement is the analysis of the positive and negative effects that a business has on a community.

## Indirect Supply Chain

An indirect supply chain consists of the goods and services required to maintain and grow a business that are not an integral part of its final product or service. An indirect supply chain may include packaging materials used to ship a product, office supplies, or software used for inventory tracking. <https://www.afflink.com/blog/optimization-101-the-indirect-supply-chain-explained>

## Infrastructure

Infrastructure is the basic physical and organizational structures required by a community to function. It includes water and electricity systems, roads, schools, hospitals, and airports. Infrastructural development entails high-cost investment but is essential to a community's social and economic prosperity.

## Innovation

Innovation is the process of creating, developing, and implementing a new solution to an existing problem. Social innovation describes strategies designed to meet the needs of a community and promote social good. Social enterprises employ innovation to generate products and services that enable a community to prosper both socially and economically.

## Natural Capital

Natural capital consists of the environment and environmental resources of a community. It includes air, forests, and wildlife.



## **Non-profit Corporation**

A non-profit corporation is an organization that has been incorporated with the primary goal of solving social, cultural, and environmental problems. Revenues or profits generated by a non-profit must be used to further their social purpose.

## **Organizational Assessment**

An organizational assessment is a process used to measure an organization's performance and the factors that contribute to its performance. It is conducted to reveal the organization's strengths and areas in which improvement is needed.

## **Physical Capital**

Physical capital consists of the built resources in a community. It includes buildings, machinery, offices, and computers.

## **Private Corporation**

A private corporation, or for-profit corporation, is an organization incorporated to operate a business that when it generates profits they are distributed for the benefit of the owners and shareholders.

## **Purchasing Systems**

A purchasing system is the process an organization undergoes when selecting a new supplier. An organization's purchasing system determines the entire process of a purchase, including the method of requisition, ordering, product receipt, and payment. Social procurement can be implemented within a purchasing system to strengthen social innovation. <https://www2.gov.bc.ca/gov/content/governments/services-for-government/bc-bid-resources/reference-resources/social-impact-procurement-guidelines>

## **SME**

A small to medium-sized enterprise (SME) is an enterprise with an amount of employees, annual sales, or assets that falls below a government-specified amount. SMEs make up the majority of businesses in most countries.

## **Social Benefit**

Social benefit describes the positive social impact generated by an organization. Social benefits can include job opportunities, environmental restoration, and community resources. The primary goal of a social enterprise is to generate social benefit alongside profit.

## **Social Capital**

Social capital consists of the relationships and networks within and among community members.

## **Social Enterprise Employment**

The mission of some social enterprises is targeted employment. This usually refers to creating employment opportunities for persons with a range of barriers to work, such as disabilities, lack of skills, etc.

## **Social Impact Criteria**

Social impact criteria are the standards maintained by an organization that regulate its practices to ensure the organization meets its goals for minimizing negative social impacts and maximizing positive social impacts. Social impact criteria is established following an organization's impact measurement and leads to the formation of an impact management plan.

## **Social Procurement**

Social procurement means leveraging a social value through existing purchasing. Social procurement is an umbrella term that encompasses the social purchasing of goods and services as well as Community Benefit Agreements that leverage social value through infrastructure and development projects. <http://www.imaginecanada.ca/blog/how-socialprocurement-movement-enhances-nonprofit-sector-revenue-and-impact>

## **Social Procurement Selection Process**

This is the process by which an organization evaluates and selects suppliers of goods and services based on the price, quality, environmental impact, and social impact of the supplier and its products.

## **Social Purchasing**

Social purchasing means adding a social value to existing purchases of goods and services. It is a key method of social procurement.

## **Social Purchasing Criteria**

Social purchasing criteria are the requirements taken into consideration when an organization evaluates a supplier of goods or services based on the social impact, environmental impact, price, and quality of the supplier and its products.

## **Social Purchasing Policies and Guidelines**

Social purchasing policies and guidelines are organizational policies and frameworks that outline how an organization can add social value to their existing purchases.

## **Social Value**

Social value refers to the impacts of programs and organizations on the well-being of individuals and communities. Social enterprises and social purpose businesses can generate social value by innovating products and services that meet community needs and participating in social procurement.

## **Social Value Supply Chain**

A social value supply chain is the total goods and services that make up an organization's direct and indirect supply chain and their social value. To understand its social value supply chain, an organization must critically assess the social impact of all products and their suppliers.

## **Supplier**

A supplier is an individual or organization that provides goods or services to a purchaser.

## **Supplier Diversity**

Supplier diversity is the incorporation of minority-owned organizations into supply chains or government contracts. Minority-owned organizations include women owned, veteran owned, and aboriginal owned companies.

## **Supplier Value**

Supplier value is the benefit received by a supplier in a purchasing agreement. Supplier value consists of immediate financial gains and long-term partnerships.

## Supply Chain

A supply chain is a network of organizations, individuals, resources, activities, and technology that move a product from initial production to the final consumer. It is composed of a direct supply chain, which includes all materials that become part of the final product, and an indirect supply chain, which includes all resources that contribute to the product's manufacturing and delivery but are not incorporated into the product. <https://whatis.techtarget.com/definition/supply-chain>

## Value Weighting

Value weighting is the way in which an organization prioritizes its criteria for selecting partners in a purchasing process. Value weighting is typically expressed as a greater or lesser percentage among selection criteria.

## Weighting Criteria

Weighting criteria are the factors and comparative value taken into consideration when an organization evaluates the bids of various suppliers and their good/service. An organization may assign different weighting to price, quality, social impact, and environmental impact of the supplier and its good/service.



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