



More than a policy, a pathway for building an inclusive ecosystem for public value through procurement

CITY OF CALGARY SOCIAL PROCUREMENT IMPLEMENTATION JOURNEY

Buy Social Canada

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Executive Summary

Every purchase has an economic, environmental, cultural, and social impact, whether intended or not. When a company, municipality, or government deliberately and intentionally considers the impacts of their purchases, and strives for a healthier community through those purchases, social procurement is created.

The City of Calgary prides itself on its community development Initiatives, which now includes being a leader in providing public value through procurement. The City of Calgary identified an opportunity to adapt its existing Sustainable, Environmental & Ethical Procurement Policy (SEEPP) plan to include a social value component. The SEEPP now aligns with Calgary's vision to use procurement dollars as a means of contributing positively to both the local economy and overall vibrancy of the community.

Buy Social Canada, through a competitive process, was selected to be a consultant to the city on the social procurement process. Through the process of design and implementation, the City created a cross-sector task force responsible for engaging stakeholders, reviewing the policy progress, and advising on pilot projects.

Procurement staff and Buy Social Canada developed an RFX Social Value Questionnaire to score the potential social impact on granting contracts to bidders. The scoring and weighting reflect the existing social, economic and cultural goals of the city, and in particular support for Small and Medium-sized Enterprises (SMEs) to be involved in the process. This questionnaire was launched as the Benefit Driven Procurement (BDP) Questionnaire and was added into RFX's in a series of pilots in 2020.

Based on promising data collected from 60 pilot RFPs that show how social procurement can assist the City of Calgary in fulfilling its vision of a more diverse, more resilient, and more socially inclusive city, on September 13th, 2021, the City of Calgary Council officially voted to adopt the Public Value through Procurement policy.

What is Social Procurement?

Social procurement is a means to leverage an added and intentional social value from existing procurement. It is a multi-outcome procurement initiative that maximizes financial value while simultaneously achieving institutional, governmental, or individual goals such as social and environmental sustainability. Social procurement applies socially-added benefit as an additional criterion in the selection process of supplier contracts, thereby adding a layer of value to the same market transaction. Therefore, social procurement does not represent an added cost, but an innovative adaptation of current procurement processes to achieve a broader impact, while maintaining their competitiveness and transparency.

A value-added, best value selection approach to procurement, simultaneously engages multiple facets of industry and community, enabling benefit-driven cause and effect through supply-chain networks and market activities. Through the inclusion of purchaser value, supplier value, and social value, social procurement yields a net community value through purchasing power.

Motivation for Social Procurement

The City of Calgary adopted and implemented a social procurement policy, Public Value through Procurement, to achieve the greatest value for taxpayers' dollars, including economic, environmental, and social value. Under this new policy framework, the City of Calgary increases access for competitive bidding and selection on contracts for SMEs in Calgary. By allowing SMEs to compete for city contracts, the city expects more diverse, more resilient, and more socially inclusive business sectors to engage in procurement contracts. Furthermore, there is the potential for greater economic opportunity and integration for underrepresented groups within Calgary. The newly adopted Public Value through Procurement policy aligns with the City of Calgary's inclusion in the 100 Resilient Cities initiative. Moreover, the Preliminary Resilience Assessment underscores the changing labour market within Calgary composed of more indigenous peoples and people with disabilities. This policy will focus on intentionally creating

community impact outcomes by integrating a social value into procurement policy, practice, and contract award decisions.

Social procurement enhances the connections that exist among stakeholders in a community, and therefore, the process benefits from a deep understanding of them. The City of Calgary was not only aware of these interrelations but leveraged them to set up a strong ecosystem that led to a continuously improving social procurement process by engaging stakeholders in the change management strategy.

Setting up the Ecosystem

Through intentional and strategic procurement decision-making, the City is committed to creating additional public value impact to improve community economic, social, cultural, environmental, and political outcomes for Calgarians. However, the successful development and implementation of a social procurement policy entails a set of activities that will provide a strong ecosystem for it to be properly deployed and adopted. Therefore, the Public Value through Procurement Policy is to be considered in its entirety and used in conjunction with the City of Calgary Public Value through Procurement Framework. This framework intends to broaden and deepen strategic procurement planning through collaborative conversation across the community, driving it to achieve and improve the quality of life for Calgarians.

The opportunity of setting up an ecosystem, that has the capacity to adjust to the identified community needs, was a result of the community vision to develop a sustainable procurement framework and the City accepting to undertake a change to its procurement policies, frameworks, processes, and associated tools.

Multi-stakeholder Perspective

There is no simple map to design and implement social procurement, rather the process is a journey. The City of Calgary knew that implementation required integration of a change management strategy, including a deep understanding of critical touchpoints with the stakeholders, development of expertise, and creation of a strong ecosystem that includes community and evolves with it.

[Momentum](#) and [REAP](#), a community economic development organization and a small business group, initiated the process with a concept paper presented to City of Calgary Council. Through a competitive process, they contracted with Buy Social Canada to support the City's journey. Through ongoing engagement with internal and external stakeholders, a progression of Council decisions, and a commitment and leadership from City staff, the Public Value through Procurement was designed, piloted, and implemented.

A critical step following the exploration of social procurement research was the constitution of an Advisory Task Force that would evolve with the policy design and implementation process, and the communities and the City's needs' identification. The Benefit Driven Advisory Task Force was formed with internal and external stakeholders. The internal members were selected to promote engagement, not only through the departments involved in the procurement process, but also with those who had already been addressing social challenges. This cross-departmental membership defined concrete and realistic procurement procedure while focusing on specific public value goals. The external stakeholder members (Figure 1) varied across sectors and activities. They ranged from non-profit organizations such as Momentum and REAP (which started the process and specializes in community economic development); social enterprises and consultants like Buy Social Canada (as social procurement leaders); academia and research with the Mount Royal University and Imagine Cities; unions such as the Federation of Canadian Municipalities; and business associations such as the Calgary Chamber of Commerce, the Calgary Construction Association and the Alberta Roadbuilders Heavy Construction Association, and SMEs, alongside other community partners.

The activities for the Advisory Task Force were adjusted throughout the pilots, and included:

- Engage in social procurement training
- Familiarize themselves with CBAs and assess opportunities
- Develop objectives, outcomes, key opportunities, and measurement criteria for the pilot projects
- Review trade agreement thresholds and exemptions
- Review internal procurement working groups and processes
- Define a strategy including a broader engagement plan
- Advise on the BDP program framework and review progress
- Comment on external training modules and change management process

Finally, the BDP Advisory Task Force transitioned to the BDP Committee as a key part of the BDP Strategy.



Figure 1. Multi-stakeholder Participation

Implementation

Lead

The City of Calgary, working with Buy Social Canada, went through a set of steps to implement their social procurement process (Figure 2). These actions are not linear or siloed, but are dynamically connected, providing ongoing feedback to one another. Various steps are performed simultaneously, or in the order needed, according to the organization's requirements.

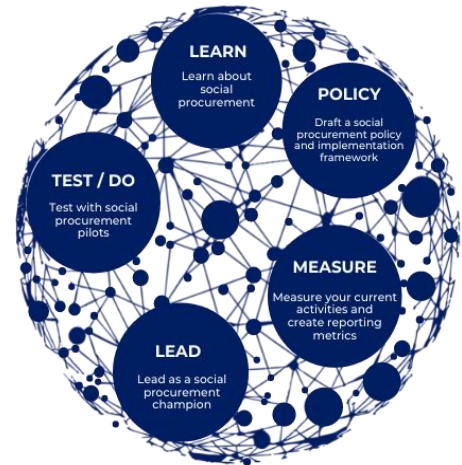


Figure 2. Social Procurement Journey. Reprinted with permission from Buy Social Canada CCC Ltd. (2021). Social Value Menu Goods and Services Templates for Implementation

Learn

Since the initial phases, The City went one step beyond and not only engaged with stakeholders but, as part of their learning process, included the development and deployment of both internal and external training modules. These were presented and gathered feedback from stakeholders through several live webinars and recorded online videos. For the BDP questionnaire, an internal users' training version with instructions was created, and a training program for both internal and external users was implemented.

A publicly available [webpage](#) on the City website provides informational videos from Calgary's Social Procurement journey and implementation as well as the BDP leadership questionnaire. An internal webpage was also designed to give procuring entities answers to frequent questions around the program directions. Various training videos and presentations have been created to support future suppliers, internal staff, and new Supply Management Buyers.

Policy

Buy Social Canada, as the consultants, performed a deep analysis of the City's policies, development goals and current community needs (see Appendix B) that would provide a direction and alignment with the City's social procurement policy. This review became the foundation for the City's social procurement policy and led to the definition of the following objectives:

- Increased access to City contracts will contribute to a more diverse, stronger, and more resilient SME and social enterprise business sector
- Procuring locally (where appropriate and allowable to do so)
- 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 such as Indigenous peoples, 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 investments

The policy was designed to be descriptive in outcomes, not prescriptive in application to all procurement, resulting in a framework to optimize strategic procurement decision-making and creating additional and intentional public value to improve community outcomes for Calgarians.

A critical element of the policy is its dynamic implementation of criteria and weighting across contracts (based upon technical specifications, budget limits, and supplier availability), which provides it with adaptability for including new objectives and other strategies (e.g. environmental strategy) beneath it.

Test and Do

The integrated weighting process and appendix questionnaire were major components of the development, piloting, and analysis of the BDP process. Through a series of pilot projects, the City of Calgary was able to determine the effectiveness of the BDP model to test and apply social procurement within purchasing frameworks. Through internal business advisory group meetings, pilot projects were identified, and testing was initiated.

Measure

In order to minimize resistance to change, Buy Social Canada mapped and engaged with the stakeholders, and performed a risk assessment to assess capabilities and additional requirements for implementation (such as learning curves, weighting and evaluation processes, etc.). The measurements are based upon the policy goals, which in turn are based on City of Calgary goals, are simple, collectible, and easy to report on:

- An analysis of who responds to RFX's and who wins contracts
- An analysis of responses to the Benefit Driven Procurement Questionnaire
- Reporting from contract winning businesses
- Reporting on community benefits from construction and infrastructure projects

As a result of the first 60 RFP pilots, the following outcomes were reported, representing a positive start for the BDP Strategy targets (see Appendix C).

- Since implementation of BDP (May 2021), the majority of over threshold RFPs published included a BDP questionnaire (63%).
- \$31 million (before taxes) in City contracts have been awarded to companies with a BDP component.
- Most under-threshold procurements were sourced locally.
- The top three benefit categories for awarded contracts were companies:
 - With apprenticeship programs (62% of awarded)
 - With inclusive employment practices (56% of awarded)
 - SMEs (74% of awarded)

Conclusion

Through the implementation of the Public Value through Procurement policy at the City of Calgary, the council members voted in a new tool for the future of its citizens. Traditionally, procurement has been about accepting the best bid at which the value of monetary expenditure would generate the most value from an economic transaction. With the new policy in place, not only is economic value considered, but dimensions of social value are incorporated into City purchases to help Calgary grow. Opportunities are now available for SMEs to engage in procurement bids and formerly marginalized and underserved populations will have a place to thrive. Price is no longer tied to quality alone; it also represents the impact of the purchase on the environment and the social value outcomes. On September 13, 2021, the City of Calgary voted to transform the future of its procurement strategies to allow its local capacities the opportunity to engage in contract bids. The City is maximizing the total value of taxpayer dollars, while the taxpayers and community benefit in return. Through the motion passed, Calgary continues to align itself with the 100 Resilient Cities Initiative and will lead-by-example for other Canadian cities seeking to modernize their own procurement policies.

Social Procurement: a means to a healthy community



Figure 3. Social procurement: a tool to build healthy communities. Reprinted with permission from Buy Social Canada CCC Ltd. (2021). Social Procurement. PowerPoint presentation (slide 26).

Appendix

A. Public Value Through Procurement Policy Implementation Timeline

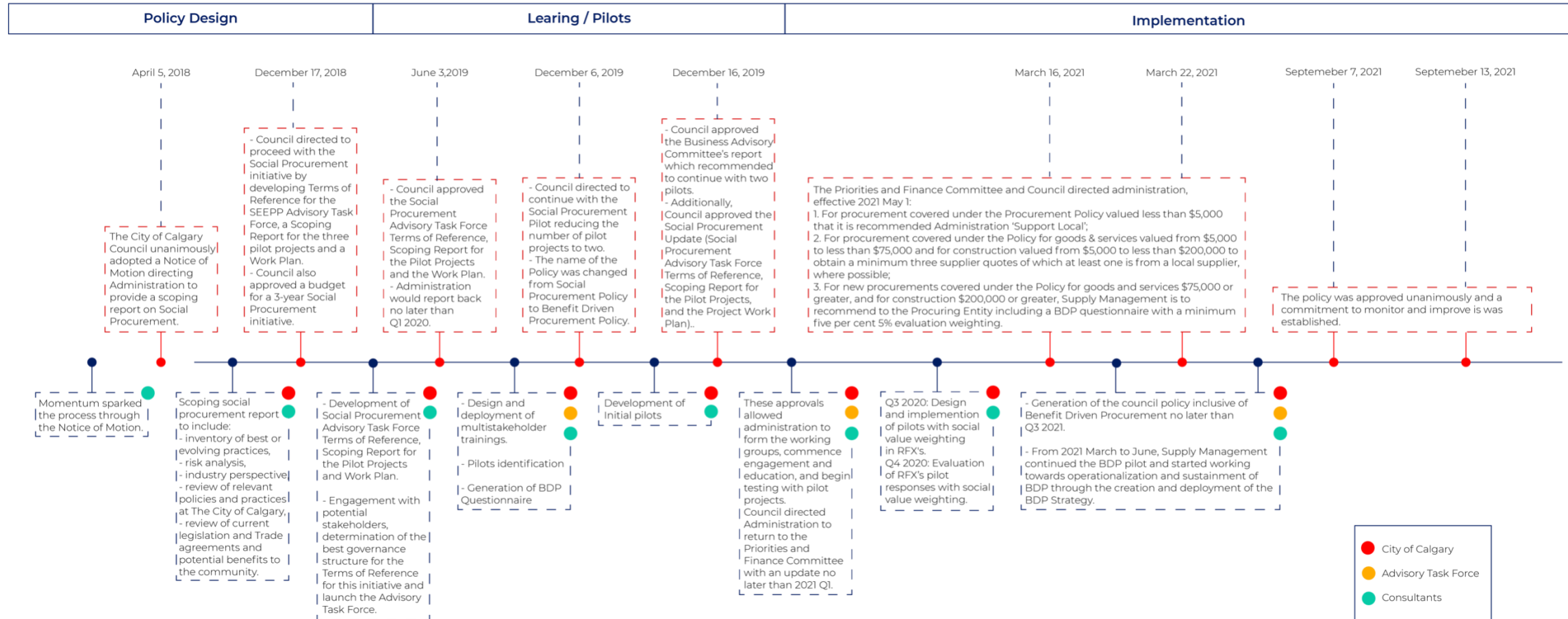


Figure 4: City of Calgary Social Procurement Implementation Timeline

B. City of Calgary Policy Review

Policy Objectives	More diverse more resilient, and more socially inclusive small and medium sized business sector.	Greater economic opportunity and integration for marginalized groups.	Increased apprenticeship, paid work-experience, and entry-level opportunities in the trades and other career-track employment.	Increased preparedness to respond to Infrastructure Canada's investments.
CITY OF CALGARY ALIGNMENT				
One Calgary	✓	✓	✓	✓
Council Directives	✓	✓	✓	✓
Calgary 2020	✓	✓	✓	
Triple Bottom Line Policy	✓	✓	✓	
Municipal Development Plan	✓		✓	
imagineCalgary	✓	✓	✓	✓
Capital Infrastructure Investment Principles			✓	✓
Sustainable Environmental & Ethical Procurement Policy (SEEPP)	✓			
White Goose Flying	✓	✓	✓	
Capital Infrastructure Investment Principles			✓	✓
Community Economic Development Neighbourhood Framework	✓	✓		✓
Welcoming Community Policy	✓	✓		
Social Well-being Policy	✓	✓		
Indigenous Policy	✓	✓		
Public Value through Procurement Policy	✓	✓	✓	✓

Table 1: City of Calgary Objectives Alignment - Part 1. Reprinted with permission from Buy Social Canada CCC Ltd. (2021). City of Calgary Benefit Driven Procurement: Progress Report and Next Phase Recommendations.

Policy Objectives	More diverse more resilient, and more socially inclusive small and medium sized business sector.	Greater economic opportunity and integration for marginalized groups.	Increased apprenticeship, paid work-experience, and entry-level opportunities in the trades and other career- track employment.	Increased preparedness to respond to Infrastructure Canada's investments.
PARTNERSHIP STRATEGY ALIGNMENT				
Resilient Calgary	✓	✓	✓	✓
Calgary Economic Development Strategy	✓	✓	✓	
Enough for All		✓	✓	
CLIP Community Action Plan	✓	✓	✓	

Table 2: City of Calgary Objectives Alignment - Part 2. Reprinted with permission from Buy Social Canada CCC Ltd. (2021), City of Calgary Benefit Driven Procurement: Progress Report and Next Phase Recommendations.

C. Future and Ongoing Monitoring and Reporting Strategy

Term	Metric	Target
Short-term 2022	Application of BDP to City RFPs above trade agreements	75%
	Training of new Supply Management staff	100%
	Above Threshold procurements that have; social requirements in the specifications or criteria related to benefit driven/social.	5
	Influence over community outcomes, case studies to highlight successful impacts of BDP	6 case studies
	Continue to measure major impacts per awarded procurement in BDPs (apprenticeships, new Canadians, etc.).	Establish baseline
	Local below-threshold PO procurement	75%
	Increase in the number of first-time bidders to City procurement	year-over-year increase
	Increase in contracted suppliers who offer apprenticeship and career track employment	year-over-year increase
	Increase in contracted suppliers who offer greater economic opportunity and integration for historically underrepresented groups	year-over-year increase
	Awarded Proponents, above threshold, who provide a Living Wage	year-over-year increase

Mid-term 2023-2024	Engage current suppliers and having them fill BDP questionnaires proactively, with or without a procurement event.	30% of The City's vendors, increasing year-over-year
Long-term 2025+	Is the Community better off? Compare the results to our targets for economic resiliency measures and make decisions about how to iterate the program	Comparison

The information found in **Table 3: Future and Ongoing Monitoring and Reporting Strategy** is compiled from the information found in 'Public Value through Procurement Policy's Targets. Reprinted with permission from Buy Social Canada CCC Ltd. (2021). City of Calgary Benefit Driven Procurement Strategy.' The information is displayed in a table format to simplify the data from the original report.

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Bios

Garrett Melee

Garrett Melee is a recent graduate from Memorial University's MBA in Social Enterprise and Entrepreneurship. Prior to his MBA studies he worked as an international recruiter for an Australian-based charity and volunteer group where he also lead teams of volunteers in village development and animal conservation in Cambodia, and as a volunteer in the Andes Mountains of Peru. He has also volunteered in the Dominican Republic through a Canadian charity building homes for families in need.

Social enterprise has been a long-standing interest, and he is currently working to launch a social enterprise through Memorial University's Centre for Social Enterprise social ventures incubator.

Mariana Jiménez Ojeda

Mariana Jiménez Ojeda is a Mexican graduate from Memorial University of Newfoundland's MBA in Social Enterprise and Entrepreneurship, and is developing a social enterprise through the Centre for Social Enterprise social ventures incubator at Memorial University. She is an advocate for people-driven innovation and passionate teams that create new pathways to enable equity of opportunities. She believes that personal and community development are the transformational bridge for a more conscious, integrated, and fair society.

Mariana is a biomedical engineer with a master's in social responsibility. She has worked in the medical device industry, insurance services and higher education. In each of her activities, she has focused on bringing purpose and people to the core.

Buy Social Canada

Every purchase has an economic, environmental and social impact, whether intended or not. The collective effort of leveraging social value from purchasing has a powerful and positive ripple effect on our communities.

At Buy Social Canada, we believe in building community capital: healthy communities that are rich in human, social, cultural, physical and economic capital. We are redefining how goods and services are bought and sold. By building relationships between social suppliers and purchasers, Buy Social Canada is leading the movement for community capital creators across the country.