



Social Procurement:

**AMPLIFY YOUR PURCHASING
DOLLARS FOR A BETTER WORLD**

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In a world facing massive social and environmental challenges, public-sector procurement professionals have an important role to play in achieving positive social change.

It is no longer enough to deliver quality goods and services. As public sector procurement professionals, you are increasingly expected to deliver environmental and social value as part of a global movement to re-imagine the procurement function.

This movement has grown out of the United Nations' Agenda 2030 for Sustainable Development, which recognizes the growing inequities between and within nations, and our declining global and local ecosystems. It calls upon the world's nations and peoples, including business, civil society, academic and tertiary sectors, to take immediate and swift action on the Sustainable Development Goals for the good of future generations. This comprehensive set of 17 goals and 162 target actions aim to end poverty, hunger, and inequality, and reduce environmental degradation while improving access to health care and education.

Engaging in sustainable public procurement practices is one of the target actions on this agenda. As purchasers of hundreds of millions of dollars in goods and services annually, procurement departments in post-secondary institutions can lead the way in achieving these worthy sustainability goals.

HOW THIS GUIDE CAN HELP

This social procurement guide aspires to give procurement professionals a better understanding of the approaches, tactics, and strategies post-secondary institutions are pursuing today to incorporate social value in their procurement practices.

An initiative of the British Columbia Collaborative for Social Infrastructure (BCCSI), this guide was developed through an innovative partnership of four post-secondary institutions:

- British Columbia Institute of Technology (BCIT),
- Simon Fraser University (SFU),
- University of Northern British Columbia (UNBC), and
- Vancouver Island University (VIU).

Together, we created the BCCSI as a response to the 2017 white paper, *Maximizing the Capacities of Advanced Education Institutions to Build Social Infrastructure for Canadian Communities* (Strandberg).

We have used our collective energy and strength to identify four pillars for action that can make a positive, sustainable impact in our communities. They are:

- Green and sustainable campus and community-building
- Indigenous entrepreneurship and social finance
- Library outreach and community scholar programs
- Social procurement

To develop this project, which was supported by the McConnell Foundation, we struck a working group of procurement leaders from our four member institutions. An independent sustainability expert conducted the research in 2019-2020, surveying public-sector procurement operations in Canada, US, UK, and Australia to identify the best social procurement practices in the public sector, with a focus on higher-education institutions. The researcher collected examples of the concrete measures public-sector procurement leaders are taking to pursue social objectives.

This guide recommends areas of opportunity and suggests ways to take concrete action to meet your organization's social objectives. While it addresses the needs of procurement professionals working in the Canadian higher-education sector, we feel the subject matter is also relevant to other internal departments such as Sustainability, Indigenous Affairs, Community Engagement, Diversity and Inclusion, and the President's office.

SUSTAINABILITY AND THE SOCIAL PROCUREMENT MOVEMENT

Universities have been leaders in the global Sustainable Public Procurement movement, which seeks to avoid negative impacts on the environment while simultaneously benefiting the organization, society and the economy.

Now, social procurement is the next frontier, and many universities are embracing this new trend to leverage their purchasing power to generate social value beyond the value of the goods and services they procure.

What is social procurement?

Each jurisdiction and institution has its own definition of social value. However, at its essence, social procurement reaps additional value for every dollar spent by creating positive benefits in the local community that enhance the economic security, quality of life, and health and wellbeing of all its members.

Institutions that adopt social procurement policies can translate their high-level social goals, such as economic inclusion, diversity, equity, and community wealth-building, into achievable objectives such as:

- providing economic opportunities for disadvantaged individuals and groups;
- supporting the growth of small, local, diverse businesses and social enterprises; and
- contributing to the health and wellbeing of local community members and institutions.

Here are two examples:

In Australia, the Victorian Government's Social Procurement Framework has 7 objectives: opportunities for Victorian Indigenous people; opportunities for Victorians with a disability; women's equality and safety; opportunities for disadvantaged Victorians; supporting safe and fair workplaces; sustainable social enterprise and Indigenous business sectors; and sustainable Victorian regions.

In the U.K., Croydon Council's Social Value Policy has 6 priorities: creating local employment; creating accessible pathways to employment; supporting healthy lifestyles; supporting local communities and initiatives; supporting local business growth and supporting a cleaner and safer borough.

Two Approaches to Social Procurement

There are two key principles to achieving social value through social procurement.

1. Certain business types contribute value to the local economy and community due to their ownership structure, workforce, size, head-office location, or business model. These ‘social benefit’ businesses include social enterprises, businesses owned by equity-seeking groups (such as minority-owned businesses), worker co-operatives, and local businesses. It is expected that purchasing from these businesses will improve the lives of local and disadvantaged residents and contribute to a more vibrant and equitable local economy.
2. Every supplier, including social benefit suppliers, can deliver social value when providing goods and services. In this scenario, suppliers create social value by engaging in activities such as subcontracting to social benefit businesses, hiring and/or providing skills training and development to disadvantaged groups, adopting corporate responsibility practices, supporting community development initiatives, and paying a living wage.

Hence, there are two main approaches to implementing social procurement:

1. purchasing directly from social benefit businesses, a practice often referred to as supplier diversity; and
2. requiring suppliers, including social benefit suppliers, to deliver community benefits or social value as a condition of contract.

These two different approaches give institutions many options for achieving social value.

Who is practicing social procurement?

National, state, provincial and local governments around the world practice social procurement, as do non-profit or charitable, place-based anchor institutions such as post-secondary institutions and hospitals. Different jurisdictions use different terms. In this document, we use the term social value procurement.

As well, some organizations pursue Indigenous procurement goals separately from social value procurement. Where issues relating to Indigenous peoples are important to an institution, there may be value in considering Indigenous and social procurement in tandem. For post-secondary institutions where decolonization and reconciliation goals have been universally adopted, addressing Indigenous procurement is critical, whether as part of, or alongside, social procurement.

Social procurement at Canadian post-secondary institutions

In recent years, post-secondary institutions have focussed on two aspects of sustainable procurement — environmental sustainability (green procurement) and labour and human rights issues (ethical/responsible procurement). Many are leaders in sourcing local/sustainable food, establishing ethical and sustainable global supply chains (for apparel, electronics, etc.), designing and erecting green buildings, and practicing responsible waste management.

While early efforts have focussed on purchasing food and promotional items from small and local businesses, there is now a broader focus on achieving beneficial social objectives.

This includes purchasing from social enterprises and Indigenous businesses, which helps them grow, and supports the local economy. This also creates more job opportunities for marginalized workers. Including community benefits in large construction contracts is another way to increase job opportunities and workforce training, and to grow the economy.

A look at some Canadian social procurement activities:

- Queen’s University has developed a ‘working’ social procurement framework that includes supply-chain diversity, accessibility for Ontarians with disabilities, and increasing the Indigenous supplier base. Rated accessibility criteria are included in all Requests for Proposals (RFPs) over \$100,000.
- York University adopted a stand-alone social procurement Policy (a first in Canada) addressing supplier diversity and workforce development, and Carleton University incorporated sustainable procurement language addressing environmental sustainability, healthy communities and community impact in its 2019 procurement policy.
- Simon Fraser University developed specific guidelines to encourage participation and procurement from Indigenous businesses.
- York University incorporated weighted social procurement criteria into its RFP for general contracting services for the new School of Continuing Studies.
- MaRS worked with Ryerson, the University of Toronto, and the University of Toronto Scarborough to develop a social enterprise procurement playbook, *Buying with Impact*, aimed at advanced education institutions.
- In Ontario, a number of colleges and universities participate in AnchorTo, a network of 18 public-sector institutions with operations in Toronto who together leverage their purchasing, hiring and/or investment to achieve inclusive economic development outcomes. These include George Brown College, Centennial College, Seneca College, University Toronto, Ryerson University, and York University.

A TOOL FOR CHANGE

Social procurement is emerging as a tool that post-secondary institutions can use to fulfill the statutory requirements of senior governments, meet sustainable development commitments, further their anchor missions, and enhance their reputation and brand with funders, students, and staff.

1. Statutory requirements

Public institutions may be required by law to address social procurement conditions set by higher orders of government.

In Scotland, public contracting authorities, (including post-secondary institutions) are bound by a Sustainable Procurement Duty—the duty to consider how institutional procurement can improve the local community’s economic, social and environmental wellbeing while simultaneously involving small and medium enterprises, third-sector bodies, and supported businesses. For £4M-procurements or higher, the authority must consider whether to impose community benefit requirements. Universities have developed “community benefit procurement” policies and procedures to implement this directive.

In Canada, projects that receive funding under the Federal Canada Infrastructure Plan must provide community employment benefits—employment and/or procurement opportunities for at least three of the following: apprentices; Indigenous peoples; women; persons with disabilities; veterans; youth; recent immigrants; and small- and medium-sized businesses and social enterprises. They must report annual results for the duration of the project. This requirement affects municipalities and could affect post-secondary institutions accessing infrastructure funding for research and commercialization facilities, or for housing.

2. Anchor Mission

Like hospitals and local governments, post-secondary institutions are anchor institutions firmly “rooted” in their local communities. They have a vested interest in ensuring their local communities thrive. Anchor institutions command vast economic, human, intellectual, and institutional resources. Increasingly, they use these resources to address poverty, inequality, urban decay and isolation in their surrounding communities.

Anchor institutions have three significant economic levers:

- local and diverse hiring
- local and diverse purchasing
- local investing

An anchor mission also contributes to an institution’s bottom line, since an institution cannot prosper in a failed community. Local and diverse purchasing improves the local

quality of life, which helps to attract and retain students, staff and employees. This helps the institution thrive in a virtuous circle, by deploying its economic power to improve the well-being of surrounding communities.

York University's Social Procurement Policy (2019) and its Anchor Institution and Community Benefits Framework (2016) recognize that social procurement can target economic disadvantage, discrimination, and barriers to equal opportunity in its communities. York also collaborates with other post-secondary institutions and anchors to increase the effectiveness and scale of its anchor mission efforts. These organizations include both Anchor TO, and the Anchor Learning Network, whose current membership includes 30 U.S. and 2 Canadian universities.

3. Commitment to Sustainable Development

Since releasing *Our Common Future*—the 1984 Brundtland Commission report that introduced the concept of sustainable development—post-secondary institutions have grappled with how to contribute to local and global sustainability. Many university and college presidents have signed global statements committing their institutions to taking action to achieve sustainable development:

- Talloires Declaration (1990) – 40 Canadian signatories; 500 worldwide
- Okanagan Charter: An International Charter for Health Promoting Universities and Colleges (2015) – The Canadian Health Promoting Campuses Network has 20+ charter signatories.
- The SDG (Sustainable Development Goals) Accord (2017) – 100 signatories worldwide

These statements have some common elements including:

- a call for urgent action;
- the obligation to report on progress; and
- importance of operations and administration

Leading post-secondary institutions have responded by incorporating a commitment to socially responsible or sustainable operations into their strategic plans. For these post-secondary institutions, social procurement is an important strategy for fulfilling their social responsibility mandate.

For example, the University of Manchester's strategic plan has three goals: outstanding learning and student experience, world-class research, and social responsibility. One of the 5 strategies under the third goal is "responsible process." Within this strategy, ensuring "that social, economic, and environmental factors are built into its processes for the procurement of goods and services" is one of seven priorities. Over time, the university has developed a robust, sustainable procurement program to achieve this goal. The Universities of Edinburgh and Strathclyde are similarly committed to social responsibility, and frame their community benefits and procurement policies within this context.

4. Enhancing Reputation and Brand

Post-secondary institutions compete for funding and research money from governments, foundations, individual donors, and industry. They also compete for the best and most talented students, faculty and staff. These stakeholders are increasingly concerned about pressing social issues and expect public institutions to take the lead in addressing them.

Engaging in social procurement can enhance your institution's public reputation and brand. This, in turn, helps to attract and retain students, faculty, and staff, attract donor money and community partners, and enhance its value proposition for government funders.

HOW TO ACCELERATE PROGRESS: SOCIAL PROCUREMENT SUCCESS FACTORS

To accelerate progress and uptake, post-secondary institutions should consider:

- Aligning with vision and values
- Developing leadership
- Recruiting resources
- Developing policy
- Collaborating

Align with vision and values

“How can social procurement help us further our own social goals?”

Aligning a social procurement program with your institution's own social vision and values is critical to success.

The key is to answer the question, “How can social procurement help us further our own social goals?”

Understand your institution's social vision and priorities.

Analyze key strategic documents, such as policies, strategies and frameworks, by highlighting keywords, phrases and concepts that reflect the vision and objectives.

Engage with staff and departments responsible for key strategies and priorities to achieve a better understanding of your institution's social vision and priorities, and a vocabulary for talking about them that will resonate with stakeholders across the institution. Aligning to these words and concepts is very powerful. This process also helps to identify internal allies and delivery partners.

Understanding the social vision and priorities also helps you to make the business case and to refine program priorities. You can do this as part of developing a social procurement policy, or as a stand-alone practice. Whether engaging in pilots, developing a program, or enacting policy, this is a valuable first step.

A successful program requires your procurement team to be entrepreneurial, flexible, and innovative. Encourage staff to take risks even though, as procurement professionals, they are trained to be cautious and risk-averse.

Develop Leadership

Institutions gain traction when procurement departments take ownership of the process. The procurement directors interviewed for this guide offered some interesting insights.

Some procurement directors interviewed as part of this study said they feel their hands-on involvement has been critical to progress. Their leadership tips:

- Articulate a vision
- Nurture entrepreneurship
- Build relationships with other parts of the institution
- Recruit delivery partners

A successful program requires your procurement team to be entrepreneurial, flexible, and innovative. Encourage staff to take risks even though, as procurement professionals, they are trained to be cautious and risk-averse.

More than one director highlighted how university procurement often differs from other public-sector institutions because of the principle of academic freedom. This means procurement must ‘persuade’ rather than mandate.

In this context, a key aspect of leadership is building relationships with other administrative units and academic clients so that procurement is seen to add value to the process. Trust is essential to developing and implementing social procurement.

Another key resource is faculty who research issues such as economic regional development, poverty and social enterprise. They can be valuable advocates for social procurement policy development.

Engaging leadership from Facilities and Ancillary Services is also critical. These departments are vital to implementing social procurement policies and already play a lead in other sustainable purchasing initiatives.

Recruit Resources

Departments already engaged in sustainable procurement, such as Ancillary Services or Facilities Management are key allies. Many spending categories they control have social procurement opportunities. Staff responsible for social and community priorities including reconciliation, community engagement, sustainability, and diversity and inclusion make excellent delivery partners. In addition, you can reach out to the following groups and individuals.

Faculty and Students

Faculty whose teaching and research interests dovetail with social procurement program goals are an important resource. Engaging graduate students in action research is a pillar of McGill University’s Sustainable Procurement Action Plan. From 2013–2018, the procurement office engaged students from the School of Environment, the Desautels Faculty of Management, and the Faculties of Education and Faculty of Engineering in 10 different sustainable procurement projects.



Business schools and research institutes

A key resource is the expertise available on campus in business schools, research institutes, and think tanks. The University of Strathclyde employs the expertise of the Strathclyde Business School's Fraser of Allander Institute to carry out socio-economic impact assessments of major construction projects. These assessments measure the value of community benefits such as local jobs and apprenticeships as well as impacts on the broader Glasgow and Scottish economies.

Business and community organizations

Collaborate with supplier diversity councils, diversity chambers of commerce, and enterprise development centres to identify and vet potential social benefit suppliers. Leverage the expertise of community-based employment intermediaries to help suppliers source candidates for workforce development targets. York University employed this strategy for building its new Continuing Studies Building.

Municipal / Local Governments

Social procurement is increasingly a priority for municipal governments. They may be further along in developing their programs and can act as a resource to post-secondary institutions in their jurisdiction. Consider drawing on some of the work already implemented by local governments.

Foundations

Foundations such as McConnell, Atkinson, and Carnegie actively fund the work of post-secondary institutions in this arena and see it as an essential/important priority.

Develop Policy

Establish a social procurement policy that clarifies priorities and provides focus for strategically using institutional resources. Such a policy signals board and senior management support, which helps to sway skeptics and silence dissenters. In addition, it grants permission to procurement and other lead departments to take risks and innovate.

While a policy is not required to move forward, both York and Carleton universities felt that having one would accelerate uptake.

Starting with a policy also reduces resistance within the university and helps to diminish the emphasis on the bottom line, generating a broader conversation.

Institutions develop policy in three ways:

1. Integrating social procurement goals into the institutional purchasing policy
2. Integrating social procurement into a Sustainable Procurement Policy
3. Developing a separate social procurement policy

Each approach has pros and cons. The best path depends on which policies are already in place, and the plans and available resources to update or refresh those policies. If your institution plans to refresh its procurement policy, then it makes sense to address social procurement as part of that process. If your institution already has a sustainable procurement policy, then you could amend this policy to address social procurement. Revising existing policies, especially if they are outdated, may be quite time-consuming, in which case it could be more efficient to develop a stand-alone policy.

Some key policy success factors:

- A clear top-down mandate from the board:
- Developing the policy with a cross-functional team
- Senior decision-makers at the table

Start with a proof of concept. Here are examples of social procurement-related policies from other post-secondary institutions:

- Carleton University – Purchasing Policy (highlighting sustainable procurement references)
- University of California – Sustainable Procurement (Section G) of the Sustainable Procurement Policy and Guidelines
- University of Edinburgh – Community Benefit in Procurement: Policy and Guidance
- University of Strathclyde – Socio-Economic Impact and Community Benefits Strategy
- York University – Social Procurement Policy
- Simon Fraser University – Indigenous Procurement Policy

Collaborate and Share

Collaborating with other institutions to share best practices and develop shared tools stretches limited resources and accelerates the adoption of social procurement practices. Sector initiatives under way include:

Communities of Practice

- Social procurement working group of the B.C. Collaborative for Social Infrastructure.
- Anchor Learning Cohort: a pilot project with over 30 U.S. and Canadian universities striving to accelerate their anchor missions, including \$6B in annual spending in the local community.
- Anchor Dashboard Project: a group of 6 U.S. universities working together to measure the community impact of and to scale up, their anchor mission efforts, including local and diverse purchasing.
- Anchor TO: a network of 18 Toronto-based public institutions sharing best practice for leveraging their local hiring, spending and investment to support inclusive economic development.
- CCSP (Canadian Collaboration on Sustainable Procurement): a network of 38 public-sector institutions sharing best practice for sustainable procurement, including social procurement.

- CAUBO (Canadian Association of University Business Officers): Re-Code Finance and Administration Examples Database – a database that includes sustainable procurement examples from post-secondary institutions.

Collaborative Buying

Many post-secondary institutions organize group purchasing to leverage their collective spend for savings and social objectives. Governments and shared-services organizations also negotiate agreements with preferred suppliers on behalf of participating institutions. Individual institutions can then procure goods and services through these agreements rather than conducting their own procurement processes.

In the U.K., shared-service organizations have adopted sustainable and responsible procurement policies. These ensure collaborative agreements negotiated on behalf of members meet the highest environmental, social, and ethical standards. In addition, members can use these policies and tools in their own operations.

Here are some good models:

1. Advanced Procurement for Universities and Colleges (APUC) is a member-owned procurement centre of expertise for Scottish universities and colleges. It handles more than 45% of total spend in the sector. APUC's Supply Chain Sustainability Policy and Supply Chain Code of Conduct apply to its procurement of collaborative agreements. Additionally, APUC has developed a life-cycle impact assessment and sustainability tool (Sustainability Test) and a supplier sustainability-performance contract-management tool. Member institutions can use these tools in their own operations.

2. The Scottish Government's Commodities Reserved for Supported Businesses Framework provides Scottish public-sector institutions, including post-secondary institutions, with a streamlined way to purchase goods and services from 'supported businesses' – social benefit businesses that employ citizens with a disability, and other disadvantaged citizens. Institutions wishing to contract under the framework can directly award where there is only one supplier, or carry out a mini-competition where there are multiple suppliers.

PURCHASING FROM SOCIAL BENEFIT BUSINESSES

In many jurisdictions practicing social procurement, the principal goal is to increase spending with diverse, social and/or local suppliers. This approach, often referred to as supplier diversity, is part of an economic inclusion agenda aimed at reducing poverty and enhancing social equity among disadvantaged and historically under-represented groups.

We refer to these groups as social benefit businesses.

The intent is to achieve positive social outcomes by procuring directly from businesses



whose attributes add value to the local economy and its residents. These attributes include:

- Ownership: owned by persons from equity-seeking or historically disadvantaged groups OR owned communally by workers, employees, a non-profit organization, charity, or philanthropic organization
- Workforce: employ a minimum percentage of historically disadvantaged persons
- Business structure or model that contributes to community well-being
- Local ownership and operations
- Size: micro-, small-, and medium-sized businesses

Defining which businesses to target is a crucial step in developing your social procurement program. Different institutions and jurisdictions target different businesses depending on their social priorities; however, social enterprises are almost universally included on the list. Moreover, in North America, the list of social benefit suppliers usually includes businesses with 51 percent or greater ownership held by equity-seeking groups or “diverse” businesses.

Some jurisdictions rely on independent certification to authenticate minority and Indigenous ownership.

Here are the types of businesses typically targeted:

- Social enterprises/social purpose enterprises.
- Diverse businesses - 51% owned by persons from equity-seeking groups (women, visible minority/racialized, minority, persons with disabilities, Indigenous peoples, veterans, LGBTQ2+, newcomers/new immigrants)
- Indigenous businesses
- Worker co-operatives and majority employee-owned corporations
- Community Development Corporation, Community Contribution Company (CCC), or a B-Corporation.
- Small and medium-sized enterprises
- Local businesses

Why purchasing from social benefit businesses contributes to the local economy and reduces poverty

- social enterprises employ disadvantaged people;
- a non-profit business supports social, environmental, or cultural programs;
- a worker co-op puts money and control in the hands of workers;
- a local business improves the local economy and employs local people;
- a business owned by an equity-seeking group gives economic power to individuals who have historically been excluded from participating fully in the economy.

“It is everybody’s job to make supplier diversity part of the DNA of the process.”

Increasing supplier diversity makes good business sense. A 2016 survey by the Canadian Centre for Diversity and Inclusion found that half of private-sector respondents had supplier diversity programs. Supplier diversity:

- Increases competition
- Promotes innovation in contract delivery
- Reduces dependency on single, large suppliers
- Helps retain employees
- Enhances brand loyalty

At the University of Pennsylvania, there is no diversity manager. Instead, says the director, Colleen Reardon, “It is everybody’s job to make supplier diversity part of the DNA of the process.”

STRATEGIES TO INCREASE SPENDING WITH SOCIAL BENEFIT BUSINESSES

Public-sector institutions engage in a range of procurement strategies to increase spending with social benefit suppliers. These include:

- Targeting social benefit suppliers with low-value purchases
- Setting aside contracts for social benefit businesses
- Including social benefit businesses on pre-qualification lists
- Subdividing contracts to increase participation of social benefit businesses
- Incorporating social benefit suppliers into pre-qualification lists
- Awarding points to social benefit businesses in open competitive bids
- Proactively inviting qualified social benefit suppliers to bid

Target social benefit suppliers for low-value purchases

To increase spending with social benefit businesses, encourage buyers to choose social benefit suppliers for simple, low-value purchases. Most institutions establish a low-value threshold below which buyers can purchase goods or services directly from a particular business without soliciting from other suppliers.

Low-value thresholds vary by institution. Make it as easy as possible for buyers to find and choose social benefit suppliers. Support buyers by encouraging them to select suppliers from a pre-qualified roster of social benefit businesses.

In 2018, two Canadian federal departments launched social procurement-related catering pilots to encourage departmental employees in the National Capital Region to purchase low-value catering (below \$10,000) from social enterprises and/or diverse businesses. To compile a list of participating businesses, the department invited suppliers to complete a questionnaire providing business and employee information.

Another way to support buyers to purchase directly from social benefit suppliers is to publish a list of qualified social benefit businesses on your internal website or e-procurement platform.

Educating buyers is critical. Training modules can cover topics like key terms, how to make a business case for social procurement, and how and when to consider social value in making a purchase.

Set-aside contracts for social benefit businesses

Contracts can be set aside or ‘reserved’ exclusively for social benefit businesses. You can accomplish this in one of two ways: set aside the contract for direct purchase from a single social benefit business or limit the competition to several social benefit businesses. Adopting arrangements like these will achieve broader public-policy objectives. To ensure value for money, buyers must still follow sound contract-management practices.

Trade agreement exceptions allow set-asides for non-profit organizations such as social enterprises, businesses owned by persons with disabilities, and Indigenous businesses.

The trade agreement exception for Indigenous peoples allows procurement to engage directly with Indigenous-owned businesses. For example, buyers can set aside a contract for direct purchase from an Indigenous business that is capable of filling the requirements. Alternatively, you can hold competitions limited to Indigenous business participation. This simplifies and streamlines the procurement process.

When deciding whether to set aside opportunities for Indigenous businesses consider factors such as operational requirements, value for money, and the intrinsic value that such purchases can bring to the university, to Indigenous communities, and to the wider community.

This approach may also be used for social enterprises. Manitoba Housing provides a good example of this. It owns and manages tens of thousands of housing units that experience a high turnover, necessitating a steady stream of repairs and renovations. This type of steady, recurring work is ideal for social enterprises. Manitoba Housing sets aside over \$1M annually in maintenance and repair work and contracts directly with five different social enterprises to deliver this work.



Include social benefit suppliers on pre-qualification lists

Another way to increase social spending is to include social benefit businesses on pre-qualified rosters if they meet the business and technical requirements. Or, create low-value rosters reserved for social benefit businesses. Contracts are issued by rotating through the roster guaranteeing work for social benefit businesses.

Subdivide contracts to increase participation of social benefit businesses

Subdividing a contract into smaller lots can better suit the capacities of smaller businesses.

Many social benefit businesses are small and lack the capacity to compete for large contracts. The trend towards aggregating multiple contracts into one large contract favours large suppliers and makes it difficult for small businesses to participate.

Subdividing a contract into smaller lots can better suit the capacities of smaller businesses. These smaller lots can be subject to normal competitive bidding practices or reserved exclusively for social benefit businesses. In the latter case, an institution may choose to carve off part of the scope and create one large contract with smaller sub-contracts that can then be reserved for social benefit suppliers.

There are pros and cons to subdividing a contract as outlined in a 2016 SIGMA brief on division of contracts. These should be considered early in the process. Multiple contracts can enhance competition, increase efficiency, encourage innovation, and spread the risk associated with single supplier dependence.

However, these benefits must be weighed against potential downsides, such as the higher cost of managing multiple contracts and clients' resistance to managing multiple suppliers.

Deciding how to subdivide a contract into lots depends on the specific market characteristics. The procurement team must understand the number and capacity of potential bidders in order to structure and package 'lots' in a way that is attractive to small bidders.

A contract can be subdivided by:

- Value – create a low-value lot using a multi-supplier framework agreement to award contracts below a certain size (e.g., threshold) and by service type
- Geography – divide the contract into sub-regions (e.g., downtown campus, airport campus).
- Facility – divide the contract into sub-sections based on servicing different facilities
- Service type – divide the contract by type of service, with each service provided across the entire campus

Award points to social benefit businesses in open competitive bids

Institutions can include criteria in open bids, and award points to proponents that meet the definition of a social benefit supplier.

Here are a few examples.

One of the goals of the Victorian Government's Social Procurement Framework (SPF) is to procure directly from social benefit suppliers. The 'Guide to Evaluation' recommends a minimum weighting of 5% to 10% for SPF-related evaluation criteria and gives examples based on contract size. For regional contracts under \$1M, the total SPF-related criteria weighting is 5%. A fully weighted score (5/5) can be achieved if the proponent is a social benefit supplier.

Proponents bidding on City of Toronto RFPs over \$100,000 may be awarded points if they are 'certified by a supplier diversity organization'.

The University of Pennsylvania includes questions related to the proponent's diversity characteristics, which are scored and included in the weighted outcome.

Invite social benefit suppliers to bid

For bids that fall below the open, competitive, bid threshold, the most common procurement practice is to seek quotes from a minimum of three suppliers.

Another strategy for increasing contracting with diverse businesses is to be proactive about including at least one social benefit supplier on the bidding list. This strategy also applies to bids above the open, competitive threshold.

For divisional purchase orders between \$3,000 and \$100,000, the City of Toronto's Social Procurement Policy requires buyers to include at least one certified diverse supplier on the bidding list. The city has developed a master list of more than 500 certified diverse businesses that buyers can use to invite bids. In 2019, divisional purchases from certified diverse suppliers increased by 40 percent over 2018.

HOW TO SUPPORT SUPPLIER DIVERSITY STRATEGIES

Institutions use various means to diversify their supply base as part of their social procurement strategy

- Set targets and track spending with social benefit suppliers
- Develop a list of social benefit businesses
- Promote social benefit businesses with buyers
- Simplify or adapt the bid process
- Provide advanced notice of the institution's procurement needs
- Engage diverse suppliers

Set targets and track spending with social benefit suppliers

To drive progress and measure success, set diverse spending goals, and track spend with social benefit suppliers.

The University of California (UC) added a supplier diversity goal to its Sustainable Purchasing Policy in 2018. UC's goal is to increase its Economically and Socially Responsible Spend (EaSR) to 25 percent of total addressable spend within five years. The EaSR spend is on products or services supplied by UC-recognized diverse businesses.

The City of Vancouver adopted a supplier diversity target in 2019 as part of its Social (Value) Procurement Framework. The goal is to increase the percentage of contracts awarded to social and diverse businesses.

The University of Pennsylvania sets annual spending goals with diversity and local suppliers, and reports monthly to senior management. In 2018, its diversity and local supplier spends each exceeded \$100 million per year.

Six U.S. universities in the Anchor Dashboard Learning Cohort track and report on percentage or value of spending with local, minority, and female-owned businesses to demonstrate the impact of their anchor missions.

Develop a list of qualified social benefit businesses

Creating a list of social benefit businesses in the community is critical. Institutions source potential businesses by:

- Partnering with third-party supplier certification councils, chambers of commerce and business/enterprise development centres
- Inviting businesses to register either formally (via Request for Information) or informally (via e-mail)
- Consulting online public databases of social benefit businesses

Information gathered and shared with buyers includes:

- Size of business
- Technical capabilities
- Commodities or services offered
- Capacity/size of contract that can be handled
- Diversity or unique local classifications

Here are some examples:

The City of Toronto has collaborated with the following third-party certification agencies to create its Master List of Certified Diverse Suppliers:

- Canadian Indigenous and Minority Supplier Council (CAMSC)
- WBE Canada, Certified Women Business Enterprises (WBE)
- Canadian Gay and Lesbian Chamber of Commerce – LGBTQ+ Enterprises
- Canadian Council for Aboriginal Business (CCAB)
- Inclusive Workplace and Supply Council of Canada (IWSCC)

The councils send their members an invitation and form to complete. Businesses wishing to be registered submit their business information, which is then uploaded to the internal Master List. The city is increasingly proactive about reaching out directly to certified suppliers that have not registered.

The City of Vancouver issued a Request for Information (online survey) inviting social value businesses to provide information on the goods and services they can provide and their capacity to deliver them.

One of the drawbacks of collaborating with supplier certification agencies in Canada is the membership fees to access lists of certified businesses. Procurement departments can access online public databases at no cost:

- *Buy Social*, Canada's social enterprise gift directory, and its social enterprise construction directory,
- *Akcelos*, an online marketplace for social and sustainable purchases.
- *Social Enterprise Ontario Business Directory*
- Government of Canada's *Federal Indigenous Business Directory*

Promote social benefit businesses with buyers

Electronic procurement platforms ('marketplaces') with robust search functions make it easier for buyers to find social benefit suppliers. The University of Pennsylvania's Penn Marketplace is an internal portal where clients can browse and buy from preferred suppliers. Approximately 40 percent of suppliers in the Marketplace are diverse or local suppliers. Buyers can quickly identify diverse businesses by commodity type (e.g., catering), location (Philadelphia/West Philadelphia) and diversity classifications, as well as pricing. There are two types of suppliers in the Marketplace: (a) approved suppliers, where buyers must still go through the procurement process and (b) preferred contract suppliers, where buyers can purchase directly from the supplier.

Another way to promote social benefit suppliers is to host a diverse supplier trade show for institutional buyers. The University of Pennsylvania holds an annual Penn Supplier Diversity Forum and Expo to raise buyer awareness about the goods and services that diverse and local businesses offer. At this half-day forum, suppliers showcase their products and services and meet potential buyers.

Simplify or adapt the bid process

Social benefit businesses often face barriers to participating in the tendering process. These barriers include complicated bid processes and documents, timelines too brief to complete bids, and little knowledge about the institution's procurement needs and processes.

Finding ways to simplify the bid process supports participation. Many jurisdictions have adopted streamlined processes such as a Short Form RFP to try to address this barrier.

Simon Fraser University piloted an innovative process. The goal: identify Indigenous and diverse caterers to include in an upcoming RFP for a primary catering contractor. Instead of issuing an RFP, the purchasing department issued an RFI that required only a two-page response from proponents (how many years in business, sales in 2019, number of FTE, capacity to handle the scope of work and how do they self-identify).

The RFI was followed up with an information session and site visits. Laura Simonsen, the procurement officer responsible, says, "The less formal process definitely reduced barriers and the dialogue process allowed the businesses to shine." The process required the team to be a little more creative about how they evaluated proponents while still ensuring an open, fair, and transparent process.

Provide advance notice of purchasing needs

Organizations can provide timely information about their institutional purchasing needs and processes by providing advanced notice of upcoming procurements, hosting staff/supplier networking events, and holding periodic "Doing business with..." information sessions for suppliers.

Publishing advanced notice of bids encourages competition, promotes wider participation in the public procurement process, and gives suppliers notice of future opportunities so they can begin to prepare. Scottish public institutions (including post-secondary institutions procuring more than £5 million annually) must publish a summary of the regulated procurements they expect to initiate in the next two years as part of their annual procurement report.

The City of Toronto's Purchasing and Materials Management Division hosts a three-hour Annual Networking with Diverse Suppliers event. Staff from various city divisions host booths where diverse suppliers can learn about what each division purchases, as well as the city's purchasing trends. When new suppliers are added to the city's diverse supplier list, they are also invited to attend a monthly Doing Business with the City workshop.

Engage diverse suppliers

Engage with suppliers that reflect diversity in their industry. The University of California Small and Diverse Business Advisory Council, chaired by the university's Chief Procurement Officer, meets quarterly. It is a forum for businesses, business affiliate organizations, and business trade associations to deliver feedback on University of California policies and practices that impact small and diverse business participation in its university contracts and projects. The forum aims to foster, promote, increase, and retain spend between the University of California and small, diverse, disadvantaged, and local businesses.

Similarly, the University of Pennsylvania's Purchasing Services engages with diverse suppliers and champions them through the Procurement Working Committee for Economic Inclusion.

MANDATING COMMUNITY BENEFITS IN CONTRACTS

The second approach to social procurement achieves social value by requiring suppliers (including social benefit businesses) to deliver community benefits as a condition of their contract. This aspect of social procurement is well developed in Scotland, Wales, and in Australia's Victoria State Government.

With this approach, the institution achieves social value because suppliers (including social/diverse businesses) must deliver social outcomes in addition to delivering the goods, services or works contracted.

In Canada, social procurement has focused primarily on increasing spend with social enterprises. When requiring suppliers to deliver community benefits, the focus has been on creating workforce development opportunities (new employment, skills development, and training for disadvantaged groups) and on subcontracting to social enterprises. In other jurisdictions, most notably Scotland, Wales, the U.K. and Victoria, Australia, institutions seek a more comprehensive range of community benefits.

Regardless of the scope of benefits, the overall approach is to insert social impact or community benefit clauses/requirements in bid documents, evaluate these requirements, negotiate commitments with suppliers and incorporate these into the contract using contract performance clauses. Lastly, it is the institution's responsibility to ensure that individual, community and social benefits are realized.



What community benefits are suppliers asked to deliver?

One of the challenges of social procurement is understanding what it looks like in practice. How are institutions translating their broader goals and desired social objectives into more detailed requirements that suppliers can understand and address?

Suppliers are often asked to engage in the following ‘activities’ to deliver community benefits:

- Subcontract to social benefit businesses and/or purchase goods and services from targeted businesses
- Mentor a social benefit business
- Hire people from disadvantaged groups and communities
- Offer skills development and training opportunities to targeted groups, including students
- Engage in community development and ‘healthy communities’ initiatives, including education initiatives
- Demonstrate corporate business practices that promote diversity and inclusion
- Pay contracted employees a living or fair wage
- Engage in activities that support post-secondary institutions’ unique core mandates of teaching and research

Subcontracting to social benefit businesses

Requiring suppliers to subcontract to social benefit businesses is one of the most common community benefits. Here are some examples to illustrate the concept.

The University of Pennsylvania spends on average \$300M each year on capital projects. For projects higher than \$5M, Penn sets specific diversity subcontracting goals for the prime contractor ranging from 20 - 35%. Targets are set based on market analysis conducted with the help of the Greater Philadelphia Urban Affairs Coalition. The targets relate to subcontracting under the prime contractor because there are not enough minority or female-owned GC businesses in Philadelphia to fulfill the contract directly.

Another tactic is to require suppliers to purchase goods and services from community-based businesses delivering the work. This approach is highlighted in the Victorian Government’s Social Procurement Framework. These products or services might include catering services, cleaning services, or flagging services from a list of diverse suppliers.

Mentoring social benefit businesses

Larger corporate suppliers can be encouraged to provide technical assistance (training, mentoring, and peer support) to social benefit businesses.

For example, Croydon Council's Social Value Performance Framework includes "provision of expert business advice to social enterprises and SMEs (e.g., financial advice/legal advice/HR advice/training, mentoring, and peer support) as one of its desired activities.

The Hospitals Aligned for Healthy Communities Toolkit highlights 'mentor-protégé' programs (most common in the construction industry) and cites U.S. examples where an institution acts as a matchmaker facilitating partnerships between its suppliers and diverse businesses outside of the usual subcontracting opportunities. Protégés receive coaching on a range of business practices such as putting together bids, back-office administration, and exploring new technologies.

Hiring people from disadvantaged groups

Suppliers are asked to create new employment opportunities for disadvantaged, minority, and marginalized workers. In Canada, this requirement may come under the banner of workforce development. Other terms include 'local hiring' or 'social hiring.' This community benefit is common across all frameworks studied. The most common approach incorporates hiring goals or targets in the RFX document.

For projects over \$5M, the City of Toronto requires suppliers to attempt to source at least one qualified candidate for a new employment opportunity during the contract term.

Victorian Government's framework promotes gender equality. Projects may set targets for hiring women, and proponents may be asked to submit workforce and project contract staff profiles (male to female) to demonstrate compliance.

Offering skills development and training to priority groups

Suppliers are encouraged to offer skills development and training opportunities for priority groups, including post-secondary students such as:

- Apprenticeships, traineeships, student internships and work experience, undergraduate and graduate placements
- Training (upskilling, vocational training) and advancement for staff involved in the contract
- Training opportunities for sub-contractors such as NVQ (national vocational qualifications) starts and completions, advanced health and safety training, and supervisor, leadership and management training

The University of Edinburgh identifies “fair employment and skills” as one of its community benefit priorities

The University of Edinburgh Community Benefits in Procurement Policy identifies “fair employment and skills” as one of its community benefit priorities highlighting opportunities to upskill the local community workforce and/or university staff; and opportunities for apprenticeships, work placements, and/or work experience for community members, as well university students and graduates can extend to internships/placements for post-graduate students.

Engaging in community development and “healthy communities” initiatives

This includes community support, community engagement, support for educational initiatives, and fostering healthy communities.

A broad range of possible activities includes

- holding school and university talks or visits;
- sponsoring community and charity events;
- offering in-kind equipment and cash donations;
- offering educational support such as curriculum development;
- developing public engagement initiatives;
- engaging people in health interventions; and
- funding community projects.

Adopting corporate business practices that support diversity and inclusion

The Victorian Government’s Social Procurement Framework encourages all suppliers to adopt fair, inclusive and sustainable business practices. This includes supplier questionnaires and declarations related to Gender Equitable Employment Business Practices, Inclusive Employment Business Practices, and Safe and Fair Work Workplace Practices.

For bids over \$100,000, the City of Toronto requires suppliers to describe their supplier diversity and employee diversity policy, program and results. Respondents may be awarded up to three points in the RFP evaluation process for meeting this requirement.

Queen’s University includes rated accessibility criteria in RFPs over \$100,000. Proponents are asked to describe features promoting accessibility and proof of completion of accessible customer-service training, and may be awarded up to two points for these answers.

Paying a living wage

This is an important initiative in several jurisdictions. Some Scottish post-secondary institutions are accredited living-wage employers and must pay their on-campus contractors a living wage. They also encourage suppliers to adopt living-wage policies for their entire operations, not just for contracts on campus.

In 2018, the City of Vancouver became a certified Living Wage Employer. As part of the certification, the city adopted a living wage policy that applies to all service contracts greater than \$250,000 where work is completed on city-owned property.

When Simon Fraser University went to market for its Security Services contract, it stipulated a higher wage rate than typical for this industry.

When Vancouver Island University went to market for their Janitorial Services and Security Services, they also stipulated a preference for suppliers to pay their employees a living wage.

Engaging in activities that support post-secondary institutions' unique core mandates of teaching and research

Post-secondary institutions are also requiring community benefit activities that support their primary mandates of teaching and research.

The University of Edinburgh's Community Benefits in Procurement Policy prioritizes activities that align with the following benefit themes:

- Community engagement and/or widening participation
- Fair employment and skills
- Research and innovation
- Climate change and environment
- Small- to mid-size enterprises and third sector
- Equality and diversity
- Global engagement
- Learning and teaching
- Donations or joint fundraising for initiatives that support communities

Four of these benefit areas are unique to post-secondary institutions: research and innovation, learning and teaching, widening participation and global engagement. Activities could include:

- providing industry-led PhD studentships and research mentoring;
- acting as clients for real-world student projects; or
- providing international work experience and job placements for students.

Defining the Scope of Community Benefits

This guide illustrates the breadth of what is defined as a community benefit. Some jurisdictions define community benefits quite narrowly, choosing to focus on a few benefit areas, while others take a broader approach.

For example, the City of Toronto has defined its social procurement objectives and community benefit opportunities more narrowly, focusing on supply chain diversity and workforce development opportunities.

York University has adopted a similarly focused approach. Anchor institutions in the U.S. and U.K. also focus more narrowly on local and diverse spending goals, such as subcontracting to local/diverse/worker-owned businesses and creating local jobs. The University of Edinburgh and the University of Strathclyde have adopted a broader scope that defines a wide range of community benefits.

Deciding on whether to adopt a narrow or broad approach to community benefits is key to moving forward with your social procurement program.

When are Community Benefits included in Contracts?

- Social value is being included in goods, services and works contracts above open competitive thresholds.
- At a lower contract value, community benefits may be more limited. At a higher contract value, you can incorporate more extensive and robust social requirements.
- In some jurisdictions, community benefits are mandatory for large contracts over a certain size
- Standard assessment weightings range from 2% to 20%.

Here are two examples:

At the University of Strathclyde Glasgow, community benefits are considered for procurement >£50,000 for goods / services contracts and >£2m for works contracts, and are assigned a minimum weighting of two percent for goods and services contracts, and five percent for works contracts.

Strathclyde's Fraser of Allander Institute carries out a socio-economic impact analysis on the effects of major capital projects at a local, regional, and national level. Suppliers are expected to participate by providing necessary data.

At University of Edinburgh (UoE), community benefits are incorporated in all procurements £4m and above; and are considered in procurements of £50,000 and above. Staff are finding that community benefits can be meaningfully incorporated into projects starting around £100 to 200,000.

How to Incorporate Community Benefit Requirements into Bids

The central procurement approach is to incorporate community benefit/social value requirements into the competitive bidding documents. This is accomplished in one of three ways:

1. The supplier must submit a community benefits plan or response as part of their proposal, which is evaluated and scored. Weighting ranges from 2-20%. The final plan, including social value/community benefit commitments, is negotiated and incorporated into the contract.
2. Community benefit requirements (targets, performance expectations) are written into the specification and must be delivered as part of the contract. The supplier is actually encouraged to go beyond these requirements.
3. The supplier must submit a community benefits proposal along with their bid response. For the bid to be compliant a proposal must be submitted, however the plan is not evaluated. The community benefits offered and accepted are written into the contract and become part of the supplier's contractual obligations to deliver. The following must be made clear to the bidders:
 - Community benefit proposals/method statements are not evaluated at any stage in the process. However, the winning tender's community benefit proposals will become the conditions of contract as agreed upon by the contracting authority and supplier
 - Failure to submit a community benefit proposal with the tender will result in the bid being rejected on the basis that it is incomplete

In wording the requirements, include a statement of what goals or outcomes your institution seeks, and ask the supplier to propose how it can help to achieve these outcomes. Some jurisdictions include a list of benefit areas with examples of activities ('a menu') to help prospective bidders understand and respond to the institution's community benefit areas of interest. In other cases, they may use language that is more high-level, leaving room for the supplier to interpret the meaning and propose solutions or actions. The menu/list can be expanded or reduced to suit the scale and nature of the procurement.

Here is an overview of the approach:

- The institution provides a structured format listing the areas of interest, which may include mandatory targets or performance objectives.
- The supplier is asked to respond with a 'work plan', 'commitment proposal' or 'method statement' addressing requirements and what commitments they will deliver.
- In some cases, there may be a form or activity template to complete.
- Suppliers may be asked to:
 - Assign a staff person to manage the community benefit portion of the contract
 - Explain how they will monitor and report
 - Demonstrate experience in delivering community benefits.

For City of Toronto projects over \$5M that have workforce development potential, proponents are invited to submit a Social Procurement Workforce Development Plan outlining which activities, if any, they are committed to deliver during the contract term that relate to:

- Customized recruitment
- Training and work-based learning and skills development
- Opportunities for registered apprenticeships during construction
- Use of social enterprise in the supply chain
- Other employment-related activities

At the University of Edinburgh, proponents vying for projects over £4M are asked to submit a Community Benefits Method Statement that includes a list of proposed benefits to be delivered through the contract. Any mandatory community benefits and a menu of ‘voluntary’ benefit areas are included in the bid documentation. Bidders are asked to confirm compliance with the mandatory community benefits (and propose additional voluntary community benefits).

As part of a £75m-construction project, Edinburgh developed an extensive ‘community benefit activity and partnership menu’ outlining a broad range of potential activities under each of five benefit categories:

1. Communities and Inclusion
2. U of E Student Experience and Employment
3. Employment and Skills
4. Research, Innovation, Entrepreneurship, and Third Sector
5. Environmental and Social Responsibility Benefits

It is recommended to scale down the list of items if the contract is smaller. If feasible, you can develop a fit-for-purpose set of requirements.

These two examples demonstrate two different approaches to scope. The City of Toronto is focusing on workforce development, whereas the University of Edinburgh accommodates a much broader range of benefit categories.

The broader definition may make it easier to include community benefit requirements into more types of contracts. It may also allow suppliers to choose the community benefits that align with their expertise and capabilities.

Evaluating Supplier Proposals

Responses are evaluated on the following criteria.

- Demonstrated understanding of the issues
- Alignment to social procurement strategic objectives
- Concreteness of plans
- Experience delivering such outcomes, a proven track record
- Past experience/proven track record
- Type and quality of benefits offered
- Feasibility of approach
- Level of support and resources offered to deliver benefits

It is important to evaluate community benefit plans in a way that does not create barriers to smaller businesses. To protect small- to mid-size enterprises, the University of Edinburgh policy states that where community benefits are evaluated as part of a tender quality component, they should be scored on the basis of response quality (e.g., alignment with university priorities, achievability, and/or procedures in place to follow through on commitments), rather than only the magnitude of benefits offered.

A Word about Weighting

The Greater Manchester Combined Authority (GMCA) has evaluated tenders based on a blend of price/quality and social value since 2014 and requires tenderers to articulate how they will meet the six social value objectives set out in the policy.

Weightings applied to social value vary from 5 to 20%. According to Peter Schofield, a Manchester procurement manager, the GMCA finds that a weighting of 20 percent may not provide four times as much social value as a five percent weighting. But, a higher weighting increases the likelihood of engaging a supplier that is serious about social value.

The University of Edinburgh's Procurement Policy Officer echoes this sentiment. "When you score social value as part of the quality criteria, it shows the supplier that you are serious about addressing social value."

Contract Management: Measuring, Monitoring and Reporting on Social Value

To achieve social value, write specific commitments and key performance indicators into the contract. Integrate key performance indicators into the supplier's performance scorecard and monitor them as part of contract management. Contract management takes time, and it is an oft-neglected component of the process. Yet the individual, community, and social gains to be achieved by incorporating social and community benefits into the bid process can ONLY be realized if we hold suppliers accountable

Key elements of contract management and monitoring identified in the Procura+ Sustainable Procurement Manual include:

- Contract clauses (terms and conditions) addressing the specific community benefits to be delivered as part of the contract (deliverables and performance requirements) along with remedies in the event they are not delivered.
- Contract key performance indicators linked to commitments
- Regular reporting and meeting schedule to review and improve performance
- Staff with time and responsibility for reporting and monitoring in both the supplier and the buyer organizations
- Annual procurement reporting to senior leadership and board/council with a summary of social procurement/community benefits.

York University says monitoring and reporting is critical to implementing its social procurement policy.

York University says monitoring and reporting is critical to implementing its social procurement policy. As the program rolls out, the Director of Procurement expects the procurement team to play a critical role in ensuring that monitoring and reporting takes place. The team must also participate in regular supplier meetings, monitor deliverables and key performance indicators, report to senior management and gather impact stories.

Many jurisdictions have developed community benefit or social value measurement or performance frameworks and tools that enable buyers to track social outcomes at the contract level. Some focus on a few key indicators, while others are more comprehensive, tracking more measures.

The Victorian Government's Sample Contract Manager Master Social Procurement Performance Spreadsheet is a template that contract managers can use to customize a set of key performance indicators for analyzing a contractor's performance against its social procurement commitments.

Contract key performance indicators include:

- Spend with social benefit suppliers (number and dollar value)
- Employment of Indigenous peoples (number and total hours)
- Employment of targeted cohorts (number and total hours)
- Job readiness for cohorts (providing the training, mentoring, social and cultural support to equip individuals with the technical and learning skills and attributes needed to gain, maintain and participate in work successfully. These skills will also be transferable to other contexts—as an employee, volunteer or self-employed. (number and type of training)

The University of Strathclyde reported on the impact of its £20m-Combined Heat and Power District Heating Project:

Community benefits were negotiated into the contract and the Fraser of Allander Institute, a research institute on campus, carried out a social impact assessment. The project delivered the following benefits:

- Project delivered £12M GVA (gross value added) to the Scottish economy
- 230 person-years of employment
- 65% of staff recruited from the local community
- 71% of the local spend achieved
- Ten apprenticeships in place
- Three work placements for University Engineering Academy students
- Seven undergraduate placements
- SME work packages

Working with Existing Suppliers

Introduce or enhance social value delivery by working with existing suppliers, such as those who still have two to four years remaining in their contract, and who wish to take advantage of community benefit opportunities. This is also a way to get suppliers who want contract extensions to commit to additional social value commitments.

Use optional contract extensions to introduce, increase or add to the community benefit commitments a supplier provides.

Croydon Council has identified this as a critical element of its social value procurement strategy. The council seeks to secure added social value commitments from suppliers when considering any contract extensions. The strategy is also highlighted in the Hospitals for Healthy Communities Toolkit to extract local employment and subcontracting opportunities from large and group purchasing suppliers. This is an excellent way for organizations to pilot social procurement initiatives.

A SUMMARY: TIPS FOR STARTING YOUR SOCIAL PROCUREMENT PROGRAM

Engage stakeholders

- Students have great ideas and a passion for how their generation will change the world
- Faculty are excellent advisors, especially those doing research in related fields, such as economic development, social sciences, urban studies, Indigenous studies, and public policy and labour studies.
- Colleagues in other departments have valuable perspectives, particularly ancillary services, facilities management, risk management, student services, sustainability, and Indigenous relations.
- Legal counsel can help you to identify legal risk factors.
- Existing suppliers can share their corporate social responsibility goals and current initiatives. There may be an opportunity to build on these.
- A community of practice is helpful for exchanging ideas with colleagues at other universities.

Identify the social challenges in your community

Consider your university's position in the community. Consult with local governments, public sector institutions, and social service and community organizations. Think about what expertise and resources you and your suppliers can contribute to help solve these community problems.

Develop a policy

- Purpose/Objectives
- Scope
- Definitions
- Principles
- Policy statements
- Procedures and authorities
- Related policies

Create a social procurement strategy and action plan

- Align social procurement initiatives to your institution's vision and value.
- Establish a set of achievable objectives.
- Determine which purchases (products, services, capital works) are most adaptable to social procurement.
- Consider program scope: (a) buying from social benefit businesses, (b) including community benefits in tendering and contracts, or (c) both.
- Create an action plan.
- Socialize the plan across the organization.
- Develop a measurement model and set targets.
- Measure results annually, at least, against your targets and objectives.
- Report results and promote positive outcomes.

Develop a sustainable procurement framework

Many Canadian post-secondary institutions are already addressing the environmental and ethical aspects of sustainable procurement. As you pivot to adopt social procurement, consider uniting the different dimensions of sustainable procurement under one banner.

This would mean framing social procurement as one element of an integrated sustainable procurement framework alongside environmental, ethical, and Indigenous aspects.

We recommend using the term Sustainable Procurement. Regardless of the name, the goal is to include all the dimensions under one banner. Public procurement professionals are increasingly expected to consider all these dimensions in any given procurement. Using one framework will make this easier.

Here is what it could look like:

Integrated Sustainable Procurement Framework

Environmental / Green	Ethical / Responsible	Social	Indigenous
Focus is on healthy local and global ecosystems	Focus is on labour and human rights; health and wellbeing of workers in local and global supply chains	Focus is on economic inclusion, poverty reduction, healthy local economy and communities	Focus on reconciliation, economic inclusion and healthy Indigenous communities
<ul style="list-style-type: none"> • GHG reductions and climate change • Water conservation • Zero waste • Biodiversity • Healthy ecosystems • Etc. 	<ul style="list-style-type: none"> • Labour issues • Human rights • Fair wages • Modern slavery and trafficking • Conflict minerals • Fair and ethical trade • Supplier Code of Conduct • Etc. 	<ul style="list-style-type: none"> • Purchasing from social enterprises and other social benefit businesses • Employment creation • Skills development and training • Paying a living wage • Corporate practices that address diversity and inclusion • Etc. 	<ul style="list-style-type: none"> • Purchasing from Indigenous businesses • Employment creation • Skills development and training • Corporate practices that address reconciliation • Etc.

For post-secondary institutions where reconciliation goals have been universally adopted, addressing Indigenous procurement is critical.

For post-secondary institutions where reconciliation goals have been universally adopted, addressing Indigenous procurement is critical. Indigenous procurement is included separately in the table to recognize this importance. Each institution must decide on the relationship between social and Indigenous procurement within a sustainable procurement framework.

Incorporate Sustainable Procurement into Institutional Strategic Plan

The goal is for the strategic plan to emphasize and integrate sustainable procurement as a strategic function. This ensures that sustainable procurement is valued throughout the institution.

Institutional strategic plans are updated on a cyclical basis. Refreshing the strategic plan is an opportunity to elevate the importance of sustainable procurement. It is vital that sustainable procurement perspectives are represented through stakeholders such as Procurement Services, Facilities Management, Ancillary Services, and Community Engagement.

The goal is for the strategic plan to emphasize and integrate sustainable procurement as a strategic function. This ensures that sustainable procurement is valued throughout the institution.

Targeting social benefit businesses for low-value purchases is one way to increase purchasing from social benefit businesses.

A 2016 social return on investment study of four construction-related social enterprises contracted by Manitoba Housing found that every \$1 invested created \$2.23 of social and economic value.

Track spending with Diverse Suppliers

If you are going to adopt supplier diversity, it is important to begin tracking spend with social benefit suppliers. There are several ways to collect data on the diversity of your supply chain:

- Survey your suppliers to identify their diversity profile.
- Incorporate diversity questions into RFXs to collect this data for new suppliers.
- Analyze pre-qualification lists.

Targeting social benefit businesses for low-value purchases is one way to increase purchasing from social benefit businesses. Analyzing spend to identify the top ten low-value purchases is a high-impact action, although it may take time. This could require some additional development if your institution does not have systems in place to track this spend automatically.

Another way to get started - invite social benefit businesses to quote. It does not matter if you have a complete list; you can start with the ones that you know.

Measure Results to Demonstrate Impact

Track outcomes at the program and individual contract levels and conduct social impact studies to demonstrate the tangible benefits flowing from social procurement activities.

Metrics to gauge program effectiveness include:

- Number of contracts and value of spend with social benefit suppliers.
- Percentage of total spend with social benefit suppliers.
- Number and value of contracts awarded with community benefit contractual conditions.
 - Total value of works subcontracted to social enterprises.
 - Number of jobs filled by priority groups.
 - Number of official qualifications achieved through skills development opportunities.

Collaborate with faculty, research institutes, and community organizations to conduct social return on investment studies relevant to your context and identify additional social impact measures that can be studied.

For example, the benefits of spending with social enterprises are powerfully illustrated by these two impact studies:

- A 2016 report on the social return on investment of four construction-related social enterprises contracted by Manitoba Housing found that every \$1 invested created \$2.23 of social and economic value (2016 SiMPACT Strategy Group, p. 4).
- In 2016, Atira Property Management Inc. (APMI), a Vancouver-based social enterprise, calculated that every \$1 it invested in targeted hiring generated \$4.13 in social benefits.

Contract-level monitoring and reporting are critical components of a social procurement program. Hold suppliers accountable - write commitments into the contract along with key performance indicators. Ensure suppliers track and report on these indicators to demonstrate compliance with their contractual commitments.

Contract level outcomes include:

- spend with social benefit suppliers (value and number);
- employment of targeted groups (hour, number, % of total); and
- number of apprenticeships offered, etc.

Develop a 'menu' of community benefit activities to pilot with existing suppliers

A common approach to incorporating community benefits into bid documents is to provide suppliers with a 'menu' of activities to choose from when putting together their proposal. One way to get started is to develop a list of possible activities and test them with existing suppliers who are one or two years into a multi-year contract or who are seeking contract extensions. Another place to test them is on new, large, multi-year contracts. Be sure to include activities related to teaching, research and widening access to education.

Activities could include:

- Hiring disadvantaged people
- Providing skills training for students and community members
- Subcontracting to social benefit businesses
- Engaging in community development/healthy communities initiatives
- Sponsoring student research projects
- Engaging in a faculty research project
- Supporting widening access to education initiatives

Start with proven categories of spend

Start with categories that lend themselves to social procurement opportunities.

Increasing Spend with Social Benefit suppliers:

Project characteristics:

- Multi-year
- Require entry level skills
- Repetitive, predictable work stream
- Low capital investment



Categories: catering, food services, landscaping, grounds maintenance, general maintenance and repair, printing, promotional items, recycling services, renovations, and waste management.

Mandating Community Benefits in Contracts:

Project characteristics:

- Multi-year
- Larger value
- Longer lead time to develop requirements
- Significant labour component

Categories: New construction is one of the most important and strategic categories to address. Other categories include catering, food services, general maintenance, grounds maintenance, housekeeping, janitorial, laundry services, recycling, renovations, security services, temporary staffing, and waste management.

As a final thought: do not be afraid to start with a simple initiative and learn from the experience. It will be your stepping stone to re-imagining procurement functions at your university that align with achieving the positive social change our world demands.

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