

## Background and Previous Council Direction

This report is in response to the direction from Council PFC2021-0395 that Administration was to return to the Priorities and Finance Committee (PFC) with a Council policy inclusive of Benefit Driven Procurement (BDP) no later than Q3 2021. This report delivers the BDP pilot project results, a BDP Strategy Plan for the implementation and sustainment of social procurement at The City, and the Public Value through Procurement Policy. This new Council policy creates a framework to optimize strategic procurement decision-making at The City of Calgary and creates additional and intentional public value to improve community outcomes for Calgarians. This new policy includes the BDP strategy, and other strategies (including the environmental strategy) beneath it.

### Context

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On 2018 April 05, Council unanimously adopted a Notice of Motion C2018-0396 directing Administration to develop a report on Social Procurement and report back to Council no later than 2018 Q4.

On 2018 December 17, Council directed Administration to proceed with the Social Procurement initiative C2018-1379 by developing Terms of Reference for the Sustainable, Ethical, Environment Procurement Policy (“SEEPP”) Advisory Task Force, a Scoping Report for the three pilot projects and a Work Plan and report back to Council through PFC by 2019 Q1. Council also approved a budget of \$505,000 for the Social Procurement initiative to be funded from the Budget Savings Account. On 2019 March 18, Council approved a deferral report with a report back date of 2019 May. The additional time allowed Administration to engage potential stakeholders, determine the best governance structure for the Terms of Reference for this initiative and launch the Advisory Task Force. Historically, procurement has been about choosing the supplier offering the lowest price while still meeting technical requirements of providing high quality products or services with minimal risk. Benefit Driven Procurement is a means of using our procurement dollars to make intentional positive contributions to both the local economy and the overall vibrancy of the community while still complying with trade agreements.

On 2019 December 16, Council approved the Business Advisory Committee’s report BAC2019-1524 which recommended to continue with the Social Procurement Pilot project as considered in Report PFC2019-0384, reduce the number of pilot projects to two, and change the name of the Policy from Social Procurement Policy to Benefit Driven Procurement Policy. Additionally, on 2019 December 16, Council approved the Social Procurement Update, PFC2019-0384, approving the Social Procurement Advisory Task Force Terms of Reference, Scoping Report for the Pilot Projects, and the Project Work Plan. These approvals allowed administration to form the working groups, commence engagement and education, and begin testing with pilot projects, Council directed Administration to return to the Priorities and Finance Committee with an update no later than 2021 Q1.

### Previous Council Direction

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On 2021 March 22, Council directed Administration to return to the Priorities and Finance Committee Administration to return to the Priorities and Finance Committee with a Council policy inclusive of Benefit Driven Procurement no later than Q3 2021. As well at that time Council, effective 2021 May 1 directed Administration:

1. For procurement covered under the Procurement Policy valued less than \$5,000 that it is recommended Administration 'Support Local';
2. For procurement covered under the Procurement Policy for goods & services valued from \$5,000 to less than \$75,000 and for construction valued from \$5,000 to less than \$200,000 to obtain a minimum three (3) supplier quotes of which at least one (1) is from a local supplier, where possible; and,
3. For new procurements covered under the Procurement Policy for goods and services \$75,000 or greater, and for construction \$200,000 or greater, Supply Management is to recommend to the Procuring Entity including a Benefit Driven Procurement questionnaire with a minimum five per cent (5%) evaluation weighting.

**Timeline Table**

DATE	REPORT NUMBER	DIRECTION/DESCRIPTION
22-Mar-2021	Combined Meeting of Council PFC2021-0395	7. CONSENT AGENDA 7.8 Benefit Driven Procurement Update, PFC2021-0395 <b>MOTION CARRIED</b>
16-Mar-2021	PFC2021-0395	7.4 That with respect to Report PFC2021-0395, the following Recommendations be approved as follows: That the Priorities and Finance Committee recommend that Council: 1. Direct Administration for procurement covered under the Procurement Policy valued less than \$5,000 that it is recommended Administration 'Support Local', effective 2021 May 1; 2. Direct Administration for procurement covered under the Procurement Policy for goods & services valued from \$5,000 to less than \$75,000 and for construction valued from \$5,000 to less than \$200,000 to obtain a minimum three (3) supplier quotes of which at least one (1) is from a local supplier, where possible, effective 2021 May 1; 3. Direct Administration for new procurements covered under the Procurement Policy for goods and services \$75,000 or greater, and for construction \$200,000 or greater, Supply Management is to recommend to the Procuring Entity including a Benefit Driven Procurement questionnaire with a minimum five per cent (5%) evaluation weighting; and 4. Direct Administration to return to the Priorities and Finance Committee with a Council policy inclusive of Benefit Driven Procurement no later than Q3 2021. <b>MOTION CARRIED</b>
16-Dec-2019	Combined Meeting of	That the Agenda for today's Meeting be amended, by general consent, by hearing Item 10.2, Social Procurement Update, PFC2019-0384 in

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	Council BAC2019-1524	<p>conjunction with Item 10.1, Business Advisory Committee Opinion on Social Procurement, BAC2019-1524. <b>MOTION CARRIED</b></p> <p>That with respect to Report BAC2019-1524 the following be approved: That the Business Advisory Committee recommends that Council: Continue with the Social Procurement Pilot project as considered in Report PFC2019-0384; Reduce the number of pilot projects to two; Change the name of the Policy from Social Procurement Policy to Benefit Driven Procurement Policy; and Consider this report to be heard in conjunction with the postponed Social Procurement update, PFC2019-0384 at the Combined Meeting of Council, 2019 December 16. <b>MOTION CARRIED</b></p> <p>10.2 Social Procurement Update, PFC2019-0384 That Council: 1. Approve the Social Procurement Advisory Task Force Terms of Reference, Scoping Report for the Pilot Projects and the Work Plan identified in Attachment 1; and 2. Direct Administration to return to the Priorities and Finance Committee with an update no later than Q1 2021. <b>MOTION CARRIED</b></p>
6-Dec-2019	BAC2019-1524	<p>“That with respect to Report BAC2019-1524 the following be adopted: That Council: Continue with the Social Procurement Pilot project as considered in Report PFC2019-0384; Reduce the number of pilot projects to two; Change the name of the Policy from Social Procurement Policy to Benefit Driven Procurement Policy; and Consider this report to be heard in conjunction with the postponed Social Procurement update, PFC2019-0384 at the Combined Meeting of Council, 2019 December 16.” <b>MOTION CARRIED</b></p>
9-Sep-2019	Combined Meeting of Council - Consent Agenda (Deferrals and Procedural Requests)	<p>7. CONSENT AGENDA</p> <p>That the Committee Recommendations contained in the following reports be approved in an omnibus motion: 7.1 DEFERRALS AND PROCEDURAL REQUESTS 7.1.2 Social Procurement Postponed to no later than the 2019 December 16 Combined Meeting of Council, C2019-1135. <b>MOTION CARRIED</b></p>
2-Jul-2019	PFC2019-0384, BAC2019-0870	<p>ITEMS DIRECTLY TO COMMITTEE</p> <p>8.1 REFERRED REPORTS</p> <p>8.1.1 Motion Arising with Respect to Social Procurement Update, (PFC2019-0384), BAC2019-0870. That with respect to Postponed Report PFC2019-0384, the following be approved. That the Business Advisory Committee: Direct the working group to review PFC2019-0384, Social Procurement Update, developing an opinion and reporting back to the Business Advisory Committee no later than 31 October 2019. <b>MOTION CARRIED</b></p>

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17-Jun-2019	PFC2019-0384	<p>7 Social Procurement Update, PFC2019-0384. That Item 7.7, Procurement Update, PFC2019-0384 be postponed to the 2019 September 9 Combined Meeting of Council. <b>MOTION CARRIED</b></p> <p>That with respect to Postponed Report PFC2019-0384, the following Motion Arising be adopted: That Council request the Business Advisory Committee to consider Report PFC2019-0384 and provide an opinion to Council by no later than Q4 2019. <b>MOTION CARRIED</b></p>
3-Jun-2019	PFC2019-0384	<p>ADMINISTRATION RECOMMENDATION: That the Priorities and Finance Committee recommends that Council: 1. Approve the Social Procurement Advisory Task Force Terms of Reference, Scoping Report for the Pilot Projects and the Work Plan identified in Attachment 1; and 2. Direct Administration to return to the Priorities and Finance Committee with an update no later than Q1 2020. <b>MOTION CARRIED</b></p> <p>RECOMMENDATION OF THE PRIORITIES AND FINANCE COMMITTEE, 2019 JUNE 4: That Administration Recommendations contained in Report PFC2019-0384 be adopted</p>
5-May-2019	Not Added to the PFC Agenda	
5-Mar-2019	PFC2019-0167	<p>Social Procurement Update - Deferral Report, PFC2019-0167 That the Priorities and Finance Committee recommend that Council defer Administration's Social Procurement response to no later than 2019 May. <b>MOTION CARRIED</b></p>
17-Dec-2018	C2018-1379	<p>9.2.3 Social Procurement: State of Practice and Recommendations, C2018- 1379. That with respect to Report C2018-1379, the following be adopted: That Council: 1. Receive this report and attachments for information; 2. Adopt the recommendations, in principle, on pages 17,18 and 19 in Attachment 1; 3. Approve the budget of \$505,000 as outlined on page 24 of Attachment 1, to be funded from the Budget Savings Account (BSA); and 4. Direct Administration to return to the Priorities and Finance Committee no later than Q1 2019 with a: (a) Terms of Reference for the Sustainable , Ethical, Environment Procurement Policy (SSEPP) Advisory Task Force; (b) Scoping Report for the three pilot projects; and (c) Workplan. <b>MOTION CARRIED</b></p>
15-Apr-2018	NoM C2018-0396	<p>NOW THEREFORE BE IT RESOLVED that Council direct Administration to provide a scoping report on social procurement no later than Q4 2018 which may include: 1. An inventory of best or evolving practices in other jurisdictions, risk analysis, industry perspective, review of relevant policies and practices at The City of Calgary, review of current legislation and Trade agreements and potential benefits to the</p>

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		community. (N.B. External consultant expertise will need to be engaged for this activity. Supply Management has a maximum budget of \$25,000 available for the report.) 2. Recommendations to Council on how to best approach implementation of social procurement at The City of Calgary which will include direction on the implementation of a social procurement strategy and possible extension of the Sustainable Ethical Environmental Procurement Policy (SEEP). <b>MOTION CARRIED</b>

### Bylaws, Regulations, Council Policies

1. At all times, The City of Calgary is subject to requirements of relevant trade agreements that include the New West Partnership Trade Agreement, Canadian Free Trade Agreement, and Canada – European Union Comprehensive Economic and Trade Agreement, and Canada-UK Trade Continuity Agreement.
2. The Municipal Government Act RSA 2000 M-26 provides authority for the City Manager to procure on behalf of Council to serve the best interest of Calgarians. Delegations authorizing the execution of contracts other than that delegated to the Director of Supply Management exist. Contracts executed subject to those delegations will be executed according to the authority delegation.

### Objectives Alignment

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.
<b>CITY OF CALGARY ALIGNMENT</b>				
One Calgary	✓	✓	✓	✓
Council Directives	✓	✓	✓	✓
Calgary 2020	✓	✓	✓	
Triple Bottom Line Policy	✓	✓	✓	
Municipal Development Plan	✓		✓	

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imagineCalgary	✓	✓	✓	✓
Capital Infrastructure Investment Principles			✓	✓
Sustainable Environmental & Ethical Procurement Policy (SEEP)	✓			
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	✓	✓	✓	✓

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PARTNERSHIP STRATEGY ALIGNMENT				
Resilient Calgary	✔	✔	✔	✔
Calgary Economic Development Strategy	✔	✔	✔	
Enough for All		✔	✔	
CLIP Community Action Plan	✔	✔	✔	