

Background and Previous Council Direction

Background

This report is in response to the direction from Council 2021 September 13 that Administration is to return no later than Q4 2022 to the successor committee of Priorities and Finance Committee, with an update on implementation with specific consideration of how deeply and broadly Benefit Driven Procurement (Social Procurement) has been integrated into The City's general procurement practice. On 2023 January 24 a deferral was granted to return Q2 2023.

This report delivers how procurement today at The City of Calgary is different due to embedding social procurement into The City's everyday procurement of goods and services.

Social Procurement Strategy and framework give a competitive advantage to those companies who demonstrate to The City their support for community outcomes. If a business meets the requirements for price and quality, tools such as the Social Procurement Questionnaire provide the advantage needed to win a competitive bid with The City.

The impact is small to medium-sized businesses, non-profits, and underrepresented groups such as women, Indigenous, LGBTQ2S+, diverse Racialized groups and newcomers now have a competitive advantage and increased access to The City's contracts.

Reflecting direction in the originating Notice of Motion C2018-0396 (Social Procurement Exploration), the Social Procurement Questionnaire has expanded to include environmental, climate, ethics, and occupational health and safety elements from the Sustainable Environmental and Ethical Procurement Policy (SEPP) questionnaire. Integrating SEPP not only simplifies the process for businesses to respond to, but it also widens the reach for SEPP's considerations to influence more of The City's procurements and support for community outcomes.

Trade agreements impose requirements on The City based on financial thresholds. Below threshold values of applicable trade agreements, social procurement now requires procuring services at The City to consider three quotes (one of which is local if available).

The 2020 to 2023 success measures are in Attachment 2.

Previous Council Direction

Social Procurement 2018 April to 2023 June

DATE	REPORT NUMBER	DIRECTION
2023 January 24	Regular Meeting of Council EC2022-1356	<p>Deferral Request – Benefit Driven Procurement Report-back due Q4 2022, to return in Q2 2023</p> <p>7.1 DEFERRALS AND PROCEDURAL REQUESTS7. 1.1 Deferral Request – Benefit Driven Procurement Report-back due Q4 2022, to return in Q2 2023, EC2022-135 MOTION CARRIED</p>
2022 December 14	EC2022-1356	<p>Deferral Request – Benefit Driven Procurement Report-back due Q4 2022, to return in Q2 2023</p> <p>5. CONSENT AGENDA 5.1.1 Deferral Request – Benefit Driven Procurement Report-back due Q4 2022, to return in Q2 2023, EC2022-1356 That the Executive Committee recommends that Council defers Administration’s Report-back on Benefit Driven Procurement due Q4 2022, to return in Q2 2023. MOTION CARRIED</p>
2021 September 13	Combined Meeting of Council PFC2021-1282	<p>Benefit Driven Procurement Pilot</p> <p>7. CONSENT AGENDA 7.10 Benefit Driven Pilot: Final Report, PFC2021-1282 MOTION CARRIED</p>

Bylaws, Regulations, Council Policies

CP2021-05 Public Value through Procurement

<p>2021 September 07</p>	<p>PFC2021-1282</p>	<p>Benefit Driven Procurement Pilot</p> <p>7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES</p> <p>7.1 Benefit Driven Procurement Pilot: Final Report, PFC2021-1282A presentation entitled "Benefit Drive Procurement Pilot: Final Report" was distributed.</p> <p>That with respect to Report PFC2021-1282, the following be approved, as amended:</p> <p>That the Priorities and Finance Committee recommends that Council:</p> <ol style="list-style-type: none"> 1. Approve the closing of the Benefit Driven Procurement pilot; 2. Approve the Benefit Driven Procurement Strategy to guide ongoing implementation and sustainment; 3. Approve the Public Value through Procurement policy; 4. Direct Administration to integrate the Supplier Code of Conduct referenced from the CFO-008 Sustainable Environmental and Ethical Procurement Policy (SEEPP) into the Supplier Code of Conduct Administration policy; and 5. Rescind CFO-008 Sustainable Environmental and Ethical Procurement Policy (SEEPP). 6. Direct Administration to report back to this Committee's successor no later than Q4 2022 with an update on implementation with specific consideration of how deeply and broadly Benefit Driven Procurement has been integrated into the City's general procurement practice. <p>MOTION CARRIED</p>
<p>2021 March 22</p>	<p>Combined Meeting of Council PFC2021-0395</p>	<p>Benefit Driven Procurement Update</p> <p>7. CONSENT AGENDA</p> <p>7.8 Benefit Driven Procurement Update, PFC2021-0395</p>
<p>2022 March 16</p>	<p>PFC2021-0395</p>	<p>Benefit Driven Procurement Update</p> <p>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:</p> <ol style="list-style-type: none"> 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

		<p>quotes of which at least one (1) is from a local supplier, where possible, effective 2021 May 1;</p> <p>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</p> <p>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.</p> <p>MOTION CARRIED</p>
2019 December 16	<p>Combined Meeting of Council BAC2019-1524, PFC2019-0384</p>	<p>Business Advisory Committee Opinion On Social Procurement and Social Procurement Update POSTPONED REPORT Procurement Update, Report#PFC2019-0384</p> <p>10. POSTPONED REPORTS</p> <p>10.1 Business Advisory Committee Opinion on Social Procurement, BAC2019-1524</p> <p>That with respect to Report BAC2019-1524 the following be adopted:</p> <p>That Council:</p> <ol style="list-style-type: none"> 1. Continue with the Social Procurement Pilot project as considered in Report PFC2019-0384; 2. Reduce the number of pilot projects to two; 3. Change the name of the Policy from Social Procurement Policy to Benefit Driven Procurement Policy; and 4. 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. <p>MOTION CARRIED</p> <p>10.2 Social Procurement Update, PFC2019-0384</p> <p>That Council:</p> <ol style="list-style-type: none"> 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. <p>MOTION CARRIED</p>
2019 December 06	<p>BAC2019-1524</p>	<p>Business Advisory Committee Opinion On Social Procurement</p> <p>7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES</p> <p>7.1 Business Advisory Committee Opinion on Social Procurement, BAC2019-1524</p> <p>That with respect to Report BAC2019-1524 the following be approved:</p> <p>That the Business Advisory Committee recommends that Council:</p>

		<p>1. Continue with the Social Procurement Pilot project as considered in Report PFC2019-0384;</p> <p>2. Reduce the number of pilot projects to two;</p> <p>3. Change the name of the Policy from Social Procurement Policy to Benefit Driven Procurement Policy; and</p> <p>4. 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.</p> <p>MOTION CARRIED</p>
2019 September 09	Combined Meeting of Council	<p>Social Procurement Postponed</p> <p>7. CONSENT AGENDA</p> <p>7.1.2 Social Procurement Postponed to no later than the 2019 December 16 Combined Meeting of Council, C2019-1135</p> <p>MOTION CARRIED</p>
2019 July 02	Business Advisory Committee PFC2019-0384, BAC2019-0870	<p>Social Procurement Update</p> <p>8.1.1 Motion Arising with Respect to Social Procurement Update, (PFC2019-0384), BAC2019-0870</p> <p>Moved by Councillor Demong</p> <p>That with respect to Postponed Report PFC2019-0384, the following be approved:</p> <p>That the Business Advisory Committee:</p> <p>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.</p> <p>MOTION CARRIED</p>
2019 June 17	Combined Meeting of Council PFC2019-0384	<p>Social Procurement Update</p> <p>7.7 Social Procurement Update, PFC2019-0384</p> <p>Councillor Demong rose on a Point of Order with respect to departure from the rules on length of debate.</p> <p>That Item 7.7, Procurement Update, PFC2019-0384 be postponed to the 2019 September 9 Combined Meeting of Council.</p> <p>MOTION CARRIED</p> <p>That with respect to Postponed Report PFC2019-0384, the following Motion Arising be adopted:</p> <p>That Council request the Business Advisory Committee to consider Report PFC2019-0384 and provide an opinion to Council by no later than Q4 2019.</p> <p>MOTION CARRIED</p>
2019 June 04	PFC2019-0384	<p>Social Procurement Update</p> <p>5. POSTPONED REPORTS</p> <p>5.1 Social Procurement Update, PFC2019-0384</p> <p>That with respect to Report PFC2019-0384, the following be approved:</p> <p>That the Priorities and Finance Committee recommends that Council:</p>

		<p>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</p> <p>2. Direct Administration to return to the Priorities and Finance Committee with an update no later than Q1 2020.</p> <p>MOTION CARRIED</p>
2019 May 14	PFC2019-0384	<p>Social Procurement Update</p> <p>That the report Social Procurement Update, PFC2019-0384 be postponed to the 2019 June 04 Regular Meeting of the Priorities and Finance Committee.</p> <p>MOTION CARRIED</p>
2019 March 05	PFC2019-0167	<p>Social Procurement Update on C2018-1379 - Deferral Report 6.9 Social Procurement Update - Deferral Report, PFC2019-0167</p> <p>That the Priorities and Finance Committee recommend that Council defer Administration's Social Procurement response to no later than 2019 May.</p> <p>MOTION CARRIED</p>
2018 December 17	C2018-1379	<p>Social Procurement: State of Practice and Recommendations 9.2.3 Social Procurement: State of Practice and Recommendations, C2018-1379 Pursuant to Section 100 (3) of Procedure Bylaw 35M2017, as amended, Councillor Carra was allowed to withdraw his original motion, the Committee Recommendations contained in the Report C2018-1379, by general consent.</p> <p>That with respect to Report C2018-1379, the following be adopted:</p> <p>That Council:</p> <ol style="list-style-type: none"> 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: <ol style="list-style-type: none"> (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. <p>MOTION CARRIED</p>
2018 April 05	NoM C2018-0396	<p>Social Procurement Exploration</p> <p>WHEREAS social procurement leverages existing purchasing to advance positive economic and social development outcomes and is an innovative adaptation of current procurement processes to achieve broader citizen quality of</p>

life goals, within existing budgets.

AND WHEREAS by expanding the traditional understanding of best value in procurement, to include the generation of positive societal benefits, The City of Calgary is working to maximize community benefits and returns for local taxpayers.

AND WHEREAS social procurement supports Citizen Priorities and Council Directives by supporting 'A Well-Run City' through innovative management by creating process that support community engagement and resilience.

AND WHEREAS a strategic social procurement strategy at The City supports several strategic priorities of The City including; Enough for All, The City's Resiliency Strategy, and many of the targets developed through imagineCALGARY.

AND WHEREAS social procurement aligns with other key City policies and initiatives, in particular the Sustainable Environmental and Ethical Procurement Policy (CFO008), the Triple Bottom Line Policy (LUP003), the Environmental Policy (UEP001) and Fair Calgary Policy (CSPS019).

AND WHEREAS social procurement is an international trend and municipalities around the world are working toward including social criteria in procurement programs. The following Canadian municipalities have already implemented social procurement programs:

- The City of Toronto Social Procurement Program aims to create jobs and drive economic growth in the city. It is comprised of two components: Supply Chain Diversity, and Workforce Development. (Source:

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

- The City of Vancouver's Healthy City Strategy focuses on developing a healthy city for all including the creation of meaningful and supported employment for person(s) with barriers to employment. (Source: <http://vancouver.ca/people-programs/healthy-city-strategy.aspx>)

- The Regional Municipality of Wood Buffalo has developed a Social Procurement framework, to help improve small business opportunities and social enterprise access to government contracts. The Social Procurement framework ensures that goods and services are still accessed through a competitive and transparent bidding process, while proactively also seeking to achieve community benefits, by taking a much more strategic approach to procurement. (Source:

- https://www.rmwb.ca/Municipal-Government/municipal_departments/SCM/Doing-Business/Social-Procurement.htm)

AND WHEREAS The City must consider how new trade agreements are removing barriers to trade which could create both challenges and opportunities for social procurement.

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 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 (SEEPP).

Council's Public Value through Procurement policy creates additional and intentional value to improve community outcomes for Calgarians through how The City purchases goods and services. Public Value through Procurement policy replaced and expanded the scope and flexibility of the CFO008 Sustainable Environmental and Ethical Procurement Policy (SEEPP). Under the Public Value through Procurement policy, Administration (Supply Management) embedded practices contained in three strategy areas: 1) Social Procurement, 2) Indigenous Procurement, and 3) Business-friendly Procurement (including Innovation through Procurement and Market-led Procurement).