

Deputy City Manager's Office Report to  
Priorities and Finance Committee  
2019 March 05

ISC: UNRESTRICTED  
PFC2019-0167

## **Social Procurement Update - Deferral Report**

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### **EXECUTIVE SUMMARY**

In 2018 December, Council directed Administration to proceed with the Social Procurement Policy and to create Terms of Reference for the Sustainable, Ethical, Environment Procurement Policy (SSEPP) Advisory Task Force, Scoping Report for three pilot projects and a Workplan. Council directed Administration to report back through the Priorities and Finance Committee no later than Q1 2019. This report requests a deferral to no later than 2019 May.

Over the last two months, Supply Management has been diligently scanning how other similar groups work and examining current City and other jurisdictions terms of reference and governance models. Through collaborating with Buy Social Canada and other business units, a draft workplan and terms of reference are nearly complete. However, given that this is a new way of doing procurement and will include engaging groups that Administration has not necessarily engaged with in the past, additional time will enable Administration to ensure that governance model set out in the Terms of Reference will be the most effective. More engagement with appropriate stakeholders and review for alignment with other City initiatives will be pivotal to ensuring the success of this initiative.

#### **ADMINISTRATION RECOMMENDATION:**

That the Priorities and Finance Committee recommend that Council defer Administration's Social Procurement response to no later than 2019 May.

#### **RECOMMENDATION OF THE PRIORITIES AND FINANCE COMMITTEE, DATED 2019 MARCH 05:**

That the Administration Recommendations contained in Report PFC2019-0167 be adopted.

### **PREVIOUS COUNCIL DIRECTION / POLICY**

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 Q4 2018.

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 (SSEPP) Advisory Task Force, a Scoping Report for the three pilot projects and a Workplan and report back to Council through PFC by Q1 2019. Council also approved a budget of \$505,000 for the Social Procurement initiative to be funded from the Budget Savings Account (BSA).

### **BACKGROUND**

Historically, procurement has been about choosing the supplier offering the lowest price while still meeting technical requirements of providing high quality products or services at minimal risk. Social procurement is about "encouraging a shift towards procurement based on achieving multiple outcomes in addition to maximizing financial value". It means using your procurement

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dollars to achieve overarching institutional, governmental, or individual goals such as environmental and social sustainability.

### **INVESTIGATION: ALTERNATIVES AND ANALYSIS**

#### **Stakeholder Engagement, Research and Communication**

Supply Management is working with Buy Social Canada, on the Terms of Reference for the Sustainable, Ethical, Environment Procurement Policy (SSEPP) Advisory Task Force; a Scoping Report for the three pilot projects; and a Workplan. Through this work Supply Management has engaged Calgary Neighbourhoods and Resilience and Infrastructure Calgary in this work to ensure alignment and support moving forward. Additionally, a few external groups have expressed interest and Supply Management is currently reviewing the best way to engage these groups in this initiative.

#### **Strategic Alignment**

Social procurement aligns with many Council priorities including a commitment to creating and sustaining a vibrant, healthy, safe and caring community that works for all today and tomorrow. This commitment has been expressed through policies, plans and strategies including the Triple Bottom Line Policy Framework, Calgary's Resilience Strategy (under development), the imagine CALGARY plan, the Social Wellbeing Policy (under development) and the 2020 Sustainability Direction. The City recognized the potential to achieve many of these objectives by leveraging its existing purchasing power with the adoption in 2008 of the Sustainable Environmental and Ethical Procurement Policy (SEPP). The addition of social procurement would be the next step in leveraging procurement dollars to achieve greater community benefit.

#### **Social, Environmental, Economic (External)**

##### **Financial Capacity**

##### ***Current and Future Operating Budget:***

None.

##### ***Current and Future Capital Budget:***

None.

##### **Risk Assessment**

No risks have been identified with respect to this deferral.

#### **REASON(S) FOR RECOMMENDATION(S):**

Administration requires additional time to engage potential stakeholders and to determine the best option for governance for the terms of reference for this initiative. This information constitutes a critical success factor for the initiative and will impact Administration's recommendations to Council in the report now proposed for 2019 May.

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**ATTACHMENT(S)**

None