



Social Public Procurement supports UN Sustainability Goals

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Trump. Brexit.

Is this what happens when governments leave too many people behind?

By Sandra Hamilton EMBA

“A country that works for everyone, not just the privileged few.” These are the words of the United Kingdom’s new prime minister, Theresa May. May replaced David Cameron after Cameron’s post-Brexit resignation for failing to anticipate the country’s high level of support for leaving the European Union.

Trump’s “Make America Great Again” campaign delivered essentially the same message: governments need to serve all people and not only the business elite. Other countries, including Canada, can learn from these political shocks. Now is the time for governments across Canada to ensure that global trade creates a rising tide capable of floating all boats.

Do recent events demonstrate that too many people are being left behind?

JUST THE PRIVILEGED FEW
THERESA MAY 2016
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A COUNTRY THAT WORKS FOR EVERYONE
NOT JUST THE PRIVILEGED FEW

Brexit

TRUMP PENCE
New York, New York
MAKE AMERICA GREAT AGAIN!

USA Election

Are governments increasingly out of touch with the lives of ordinary citizens?



Governments working to stem the tide of protectionism while increasing global free trade will need to ensure a more equitable distribution of benefits. Taking a strategic approach to public sector procurement can achieve this: such approaches should be designed to stimulate a more inclusive and sustainable approach to regional economic development and should reward supply chain partners willing to work with governments to solve social problems.

Procurement transformation involves not only modernization through e-bidding technology, but also by moving beyond ethical and environmental procurement's mandate to 'Do No Harm' to proactively leveraging public sector procurement to improve lives by 'Doing Some Good.'

Sustainable Government Procurement must include People, in the People, Planet, Profit equation

While sustainable economic development calls for a balanced triple bottom line approach, the reality for most governments across Canada is that sustainability still means 'green.' Over the last twenty years, balancing concern for the planet with the price point has become normalized. Yet concern for people, particularly for those who are the most disadvantaged, continues to be left out of the People, Planet, Profit approach to sustainable government procurement. Why is this?

Fortunately, there are some encouraging signs. Various levels of government in Canada are working hard to modernize and transform procurement systems. Judy Foote, the federal Minister of Public Services and Procurement, has a mandate from Prime Minister Justin Trudeau to advance social procurement: in Ottawa, Bill C-227 – an act promoting community benefits in infrastructure – has passed second reading and advanced to the committee stage.

Social procurement, still an underutilized tool in Canada, is an approach that strategically leverages public sector spending to achieve key public policy goals in the areas of inclusive economic development, Indigenous economic reconciliation, skills training and workforce development, youth employment, supportive employment, supply chain diversity, social enterprise capacity building and improved small-business access to public sector supply chains. People can no longer be left out of a People, Planet, Profit based approach to sustainable government procurement.

Social procurement moves us beyond the 'Do No Harm' mandate of ethical and environmental considerations to proactively 'Do Some Good'
Sandra Hamilton, Canada's First Social MBA - Public Sector Social Procurement Advisor

At all three levels of government in Canada, fascinating conversations have been ignited and important questions are emerging. How and when is it appropriate to add social value criteria to a public sector procurement process? How is best value being defined? How do we stimulate a more inclusive approach to economic development? How will we measure the impact of this approach? There is no doubt that the procurement landscape is changing.



Alberta's first Social RFQ

In September, my client, the Regional Municipality of Wood Buffalo (RMWB) became the first municipality in Alberta to adopt social procurement. We had started working together long before the 2016 wildfires, but the evacuation of Fort McMurray in the spring caused an understandable delay in the RMWB council approving the social procurement framework. "This initiative is now more important than ever," said RMWB Procurement Supervisor Laurie Gaudet, who is also the Social Procurement Project Lead. "Social procurement is about improving lives. People are a top priority of the recovery plan. It just makes so much sense to align our existing spend with the strategic priorities of recovery and of the community. My only question is: why have governments not been doing this for years?"

RMWB buyers Stephanie Rogers and Belinda Brunet have emerged as strong internal champions of social procurement. Their biggest surprise was perhaps that no rules or laws had to change to make this new approach possible. Social procurement works within the guiding principles of a fair, open, transparent and competitive process that is compliant with trade agreements. "With a little education, we realized that it was only our own belief systems that had to change," said Belinda. "Then we could start thinking strategically about ways to add social value to the procurement process." For Stephanie, "gaining a greater understanding of what could be done under the NWPTA, rather than focusing on what could not, has been most empowering."

Through a series of social procurement design labs, held in partnership with the Chamber of Commerce, the Fort McMurray Construction Association and the non-profit sector, RMWB's supply chain management department (SCM) is starting to promote cross-sector partnerships and improve horizontal dialogue across internal departments. Through this work SCM is working to ensure that municipal spend is more closely aligned and supportive of the community's strategic priorities.

The RMWB has already conducted Alberta's first social request for quotes (RFQ): a snow-clearing contract for municipal car parks in Fort McMurray. The RFQ, which was posted to Alberta Purchasing Connection, was unusual in that it placed equal value on price, capability *and* social value – to the best of my knowledge this is believed to be a first in Canada. Here the desired social outcome was to create work opportunities for previously homeless and recently housed people who were ready for the workforce but faced barriers to employment.

Buyer Shaunnah Blackmore explained that bid respondents were awarded up to 33 points for price, 33 points based on technical capability and 33 points based on social value. For the social value criteria, up to 14 points could be earned based on the number of positions the respondent was willing to fill through a pre-negotiated subcontractor partnership with a community non-profit organization specializing in providing supportive employment opportunities for individuals facing barriers to employment. As snow-clearing often takes place at night, the lack of transportation had been identified as a potential barrier. Therefore 12 points were awarded to organizations willing to help overcome this barrier. Finally, companies willing to provide opportunities for employees to upgrade their skills could earn an additional 7 points.



In this competitive and transparent process the RMWB clearly signaled to the marketplace that the value placed on improving lives was equal to the value placed on price and technical capability. Consistent with the experience of other social procurement initiatives across Canada, the RMWB received no push back to the new process from the market. Six compliant bids were received, one from outside of the province, and the contract was successfully awarded.

Clearly procurement transformation is about much more than e-procurement and improving the efficiency of a transactional process. Child poverty and youth unemployment in Canada remain stubbornly high and too many persons with disabilities live in poverty. A new relationship must be established with Indigenous people. Taxpayer-funded supply chains can, and should be, better leveraged to improve the lives of Canadians. The \$136 billion federal investment in infrastructure must also be an investment in the people of Canada.

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Sandra Hamilton is Canada's First Social MBA and a Public Sector Social Procurement Advisor. Hamilton works with all three levels of government and with public owners to modernize procurement processes and achieve more social value through public sector supply chains. She is the former Business Manager to Vancouver 2010 Olympics CEO John Furlong and has designed both British Columbia's & Alberta's first Social Procurement Frameworks.

Hamilton is a speaker and Canada's nominee to address the World Trade Organization (WTO) Symposium on Sustainable Government Procurement in Geneva in February. In March, Hamilton will be speaking on the topic of Social Procurement at the 2017 Canadian Construction Conference in Mexico.

Resources

- [Social Procurement](#)
[The Changing Face of Public Sector Procurement in Canada](#)
- [BUILD Magazine – Community Benefits & Infrastructure](#)
[The village of Cumberland is first municipality in BC to adopt a social procurement framework](#)
- [Sandra Hamilton the matriarch of Social Procurement](#)
[Rebuilding Fort McMurray after the Wildfires](#)