

# Social Procurement

## INITIATIVE

### Social Procurement Myths & Facts

**Is it even legal for governments to use social procurement? Don't we have trade agreements to comply with?**

**Yes! It is legal for local governments to use social procurement:** It is legally permissible for any governmental entity to use social procurement practices to complement traditional sourcing strategies. You cannot restrict competition, but you can seek social value outcomes from all bidders.

**All trade agreements also have financial thresholds for when they come into effect:** You will need to check the most stringent requirements in your jurisdiction for the actual dollar value thresholds. There is more flexibility in the lower categories, and no restrictions under the smallest amounts which range from \$10,000 to \$75,000.

**There are also a number of purchasing 'exemptions & exclusions.' Within the trade agreements:** One very important exemption is buying from non-profits and charities.

Almost every social enterprise in Canada is operated through a non-profit or charity, so direct purchasing, no bidding necessary, from a non-profit social enterprise is always an option. Therefore, regardless of the dollar value, a public entity can proceed with a direct award to a social enterprise.

**Does social procurement limit competition?**

**No! Procurement is a competitive bid process:** Social procurement introduces a way for competing bids to demonstrate their social value and positive community benefits. Recent examples of RFPs did not see a decrease in the number of competitive bids submitted.

**If social procurement practices are voluntary, can these be enforceable?**

**Yes! They are enforceable:** When an organization inserts social procurement criteria and / or outcome expectations into competitive bid documents, service providers must comply with these terms and conditions.

When social procurement criteria become part of a contract, this gives the voluntary practices *legitimacy* - meaning legally binding.

### **Is it possible to measure the results from social procurement initiatives?**

**Yes! In several ways:** Examples might include the number of contracts and / or social enterprises engaged; the number of barriered individuals who receive employment; the social return on investment with the redistribution of revenues in the community etc.

### **Is social procurement limited to 'local'?**

**No! Although directing procurement to local business has significant economic benefits, social procurement is about deriving social value and benefit.** It can be helpful to utilize concentric circles around value: social enterprises, local businesses that incorporate social value into activities and supply chains, corporations that integrate social value into activities and supply chains.

### **Who defines 'local'?**

**Each community, or municipality, defines 'local' for their specific community:** What are your social and economic priorities? What are your local economic development goals? Defining your local community goals and priorities is step number one in developing a Social Procurement Policy, because success is only achieved when we use existing purchasing to achieve locally defined goals.

### **Can social procurement recognize already existing social value and impact?**

**Yes!** Many businesses already intentionally deliver social value; this is a way to recognize and quantify that value.

### **Is social procurement just about procurement from social enterprises?**

**No!** Although purchasing from social enterprises means that impact is already integrated into the business, social procurement is about rewarding and valuing positive social impact, however it is being delivered.

### **Does all procurement have a social impact?**

**Yes! Every purchase has an economic, environmental and social impact:** When we focus on 'best value for money' procurement is much more than a financial transaction. Procurement becomes a tool for Social procurement puts intention and measurement around that impact, and aims to generate positive returns.

**Doesn't social procurement apply only to the public sector contracts?**

**No:** Private sector organizations such as construction companies are able to hire barriered employees and give them meaningful work. Larger organizations find that barriered individuals can be a valuable source of employees with training and development leading to long-term work for mutual benefits. Private companies can use the services of social enterprises for catering, landscaping, painting, and many other needed services to complement their main work force.

**Is Social Procurement a project or a practice?**

**Social Procurement is not a project with an expiry date:** It is an ongoing process of development, a continuous conscious practice to achieve development and community engagement goals.