

## Local Stories: Procurement for Community Well Being

Contributor: Leah Hamilton, CPPO, CPPB, Buyer, City of Victoria

# City of Victoria: Those Five Points Matter

BRITISH COLUMBIA

Social Procurement

INITIATIVE

*"Vendors are doing this, but don't realize they are doing this so don't integrate into their bids." - Leah Hamilton*



**Location: Victoria**  
**Population: 92,000**

**Public Waste Bins**  
**RFP: \$100K**

The City of Victoria is a mid-sized city at the bottom tip of Vancouver Island. Although the Greater Victoria region has a population of 370,000, the City is one municipality among 13 and is home to 92,000 residents. Victoria has a vibrant local economy, anchored by key institutions: BC Government, Post-Secondaries, Harbour Authority, Hospitals and other public institutions. Social procurement has the potential to generate significant community benefits and the City is leading the way.

### Public Waste Bins RFP

The City of Victoria has been a leader in the Coastal Communities Social Procurement Initiative ([www.bcsppi.ca](http://www.bcsppi.ca)). After assessing their spending and how to mobilize small spends for community benefit, Victoria piloted social procurement with a Request for Proposals for public waste bins.

Victoria's sustainability group had been working with vendors delivering social, community and environmental outcomes, so social procurement implementation with supply chains was 'not an obscure idea'.

*"It is important to start with vendor education as to what they can expect, how to look at their supply chains and ways to increase supplier diversity, including partnering with non profits who provide employment support."*

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The RFP for streetscape waste diversion bins with 3 compartments for sorting was released in early winter with a closing date of February 25, 2020. This type of purchase carried the potential to have a large manufacturing or local shop produce these. It might not be a burden for a large company to respond to employment targets, and provide decent wages and benefits, but the challenge was to balance and provide an opportunity for local shops to respond too.

Saanich, a neighbouring municipality, decided to participate in the bid. This required collaboration and incorporating their needs and language into the bid as well. Other municipalities have expressed interest and are observing how the social procurement pilot rolls out.

## Victoria is part of a regional joint purchasing group

The Greater Victoria Joint Purchasing Group (GVJPG) has been formed by organizations that are responsible for purchasing goods and services.

The purpose of the GVJPG is to increase the purchasing power of the individual participants by obtaining favourable pricing through competitive processes, increased collective volumes and contract administration.

The GVJPG consists of participants from local government, universities, colleges and school districts within Greater Victoria and the Cowichan Valley.

***"Everyone is nervous but what's the worst case scenario? It is five points on an RFP - we will still have a qualified vendor."***

### RFP: Supply of public realm waste bin enclosures:

#### Social Value

##### 5 points

- Describe all initiatives, policies or programs that demonstrate your company's effort towards sustainable practices and responsibility (Social, Ethical, Environmental).
- State your process that will ensure that the City's commitments to social values are included wherever and whenever in the performance of the work.
- Describe how your organization would ensure Supplier Diversity that is accessible to all types of businesses, including where appropriate Social Enterprises, Not-For-Profits, Small and Medium Enterprises, and Diverse Suppliers and how you would monitor and measure this.
- Describe how you currently recruit, retain and support employment of barriered individuals, and how you would monitor and measure this.

#### Sustainability

##### 5 points

- Provide information on your company's internal environmental programs, policies, procedures and accreditation that align with the City's Sustainability Commitment.
- Describe how your company works to reduce waste in its daily operations, reduce its greenhouse gas (GHG) emissions, and works to be more energy efficient.
- Suggest innovative ideas and/or programs that are aligned with the City's Sustainability Commitment in supplying the bins.

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## Outcomes

By bid closing date, Victoria received 3 bids - an average response and in line with what was expected. There were no local bidders, and the social value offered described donations and support for charitable activities outside the region. The hope was that there would be a response from vendors who operate sustainable operations and understood social value in terms of employment and apprenticeships. It was disappointing to not see these vendors submit or employment/apprenticeships showcased in the bid responses.

***"This is not an automatic 5 points for a boiler point response. I am looking that they have an objective, steps and practices to reach the objective, and ways to measure these objectives. My concern is that SP becomes boiler plate and doesn't have meaning... It needs to be connected to the specific purchase and what can be achieved through this purchase."***

## Lessons Learned

- There is still a risk aversion around including social value criteria, however bids still need to be qualified and on budget;
- It is important to avoid boiler plate insertions; social procurement needs to be bid-specific and community-specific;
- There is potential difficulty with a points-based menu as big businesses can have an advantage. It is important to watch this so that there is a level playing field for smaller and local businesses;
- We are finding that the quality and budget is pretty on par across bid responses. The environmental and social points are often the tipping point;
- There is a risk management review - what about a social value review? This could be someone's job - a subject matter expert that provides up front options for how to craft bid-specific social value and identified potential vendors that might be a match;
- There is work to be done on outreach to local vendors to encourage them to bid, as well as help all vendors understand what local governments are looking for in terms of social value.

***"My hunch is that vendors are doing this but don't realize they are doing this so don't integrate into their bids. I would be shocked if manufacturing vendors don't partner with colleges and/or have apprenticeships on board. If they want to bid on our work, there are easy ways to present this value."***

### Pre-Qualification of Contractors

#### Supply of Public Realm Waste Bin Enclosures - Terms of Reference

##### SOCIAL VALUE

The City is part of the local community and wishes to acknowledge the value of community involvement by recognizing a vendor's internal social programs, policies, procedures, accreditation and community involvement. In 2017, City Council adopted Social Enterprise and Social Procurement action plan "Good Jobs + Good Business = Better Community" that recommends procurement consider:

- **Social Procurement** – purchases should be leveraged to improve the economic, social and environmental well-being of the community.
- **Social Enterprise Development** – strengthen and grow businesses already doing business with community benefit in mind and grow the social enterprise sector.
- **Leading Economic Change** – make the mainstream economy more inclusive to ensure there is always an opportunity for everyone to prosper.

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This RFP asks Proponents to provide information about their internal efforts that align with the City's Social Enterprise and Social Procurement action plan and will evaluate the proposals on the combined social impact, environmental impact, price and quality of the Contractor and its products.

### **Social Value Definitions:**

- **“Social Value”** means that the Work as described will take into consideration but not be limited to employment of people with barriers; working with social enterprises; community development; and/or utilizing locally available materials where and whenever possible.
- **“Social enterprise”** means a business with an embedded mission to achieve social, cultural or environmental aims through the sale of goods and services. At least 50% of the business revenue comes from selling goods and/or services in the marketplace and at least 50% of the business profits go back into executing its social, cultural or environmental mission.
- **“Barrierred individual”** means a person with barrier(s) to employment, which requires workplace, work environment, or work expectation considerations to accommodate successful participation in the workforce.
- **“Supplier Diversity”** means a business that is at least 51 per cent owned, operated, and controlled by, as an example: people who identify as women or gender-diverse, Indigenous, members of a visible minority group or as LGBTQi2S+ (lesbian, gay, bisexual, transgender, questioning, intersex and Two-Spirit).

Proponents have the opportunity in their Proposal to describe any social value benefits they are prepared to offer as part of the work. Unless otherwise stated, it is understood that there are no extra costs for these services, however if there are any additional costs, the summary and explanation of these costs should be included in the fee proposal. Social Value benefits could include:

- Providing employment and training for youth and people with employment barriers (e.g. people with disabilities, new immigrants, chronically unemployed, ex-offenders, etc.).
- Offering full-time and living wage employment and adopting advances health and safety practices.
- Involving Social Enterprises in any portion of the work.
- Considering social value in your production process and/or supply chain (e.g. inclusive of local sourcing for labour and/or material, using Fairtrade, B Corps suppliers, etc.).
- Your commitment to Supplier Diversity.
- Your ability to monitor and measure social value commitments.
- Any other social value commitments.

### **SUSTAINABILITY**

The City of Victoria, in support of our community and corporate goals, is committed to ensuring our purchasing decisions achieve best value by seeking supply and service arrangements which provide the optimum combination of quality, service, price, and sustainability considerations. Our objective is to integrate economic, social, and environmental considerations into our procurement development and award processes.

The Victoria [Sustainability Framework \(VSF\)](#) was developed in partnership with the community and sets the tone for sustainability in the City of Victoria. The VSF was adopted by Victoria City Council in 2010. It is the overarching framework for the City's highest level strategic plans, including the [Official Community Plan \(OCP\)](#) and the [Corporate Strategic Plan \(CSP\)](#).

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