

## 2020-7 Procurement for Community Benefit

### Mover: North End Community Renewal Corporation

**Whereas:** The Province of Manitoba, Manitoba municipalities and the broader public sector (including crown corporations, hospitals, academia and schools) purchase significant amounts of goods and services. Social procurement is the practice of using existing purchasing to promote social, environmental, and cultural goals. There are multiple policy tools for social procurement that are already working in other jurisdictions, including other Canadian provinces, cities, and municipalities.

**Whereas:** The value of public procurement can be greatly enhanced by intentionally generating economic, social and environmental outcomes. This can be done using the following three tools, or a blend of each:

- Purchasing the social, environmental and economic outcomes directly as a program (for instance, funding a social enterprise as a training program that also provides goods and services to government)
- Creating set-asides in purchasing that can only be accessed by social enterprises, cooperatives and/or non-profits.
- Demanding social, environmental and economic outcomes when purchasing goods and services by including them in the bid evaluation process, through tools such as Community Benefits Agreements

**Whereas:** Social enterprises, cooperatives and non-profits use a business model to generate community benefits: employment, reduced poverty, environmental sustainability, reduced crime, improved health outcomes and more inclusive, strong, and sustainable local economies. Social or direct purchasing acquires goods and services for operations directly from community social enterprises that are dedicated to serving their social, economic, and environmental purposes. Social Purchasing is the easiest and most effective means of supporting these enterprises' community benefits through sole-source purchasing when permitted and using a set-aside program. Experienced jurisdictions have shown that social procurement works best when purchasers and suppliers collaborate to achieve the goal of providing successful employment opportunities for barriered individuals, and then collaboratively identify goods and services social enterprises can provide.

**Whereas:** One exceptional example is Manitoba Housing's use of social enterprise for the construction, maintenance and energy efficiency retrofits on Manitoba's affordable housing stock. This practice has created jobs for people facing barriers and has begun to break the cycle of intergenerational poverty. At the same time, energy efficiency retrofits have decreased the financial burden of rising energy bills to social housing providers and low-income households, while enhancing the sustainability of our environment. There is an immediate, attainable and cost-effective opportunity to scale these outcomes.

**Whereas:** Another example of social procurement could be when the broader public sector purchases significant amounts of food for its institutions and food services. This purchasing can be leveraged to strengthen the Manitoba economy while improving health outcomes and environmental sustainability. Yet another example is the pilot program already in place between the City of Winnipeg and Mother Earth Recycling, where up to 8000 mattresses and box springs are collected for recycling, while supporting a local, Indigenous-owned social enterprise with multiple social, economic, and environmental outcomes.

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**Whereas:** When policy prevents sole-sourcing or contracts are too large for social enterprises, Community Benefits Agreements (CBAs) have been a successful instrument for increasing the social impact of procurement. CBAs are pre-determined and defined social value outcomes that will be delivered as part of a significant infrastructure or land development project like building a bridge, a road, school, hospital, office tower, or transit system. Through a CBA, the community, government, and developer agree upon some social value deliverables. Examples of deliverables are job training, target hiring, prevailing wages, purchasing from local businesses and social enterprises, affordable housing requirements, street and neighborhood revitalization, and inclusion of community infrastructure. CBAs expand the value considered in request for proposals (RFPs) by broadening evaluation criteria to include social, environmental and economic outcomes. While not applicable to every tender, this practice can bring benefits to government procurement, including strong private sector contribution to the community and better value for spending. A community benefit can be evaluated just as any other deliverable in a contract would be, although it can take more resources to quantify community benefit than traditional deliverables. When used, CBAs have generally accounted for 5-15% of an RFPs evaluation matrix, along with traditional criteria such as price, speed, quality, and track record.

**Whereas:** Social purchasing is a growing international practice as it is an effective policy tool to achieve multiple economic and social outcomes, and a strong return on investment. Returns on investment from social procurement, including from the impact of social enterprises, cooperatives, and non-profits are high. There can be significant cost reductions in crime, savings in health care and emergency costs, reduced strain on social assistance systems, and higher employment in the community - all of which contributes to vibrant and sustainable communities with high quality of life.

**Whereas:** For government, social procurement meets expectations of financial prudence by leveraging government dollars already within the budget to simultaneously fulfil a procurement need as well as contribute to governmental social and environmental objectives. Social procurement can also help government fulfill other objectives, including contributing to the goals of poverty reduction strategies, or supporting Call to Action #92 of the Truth & Reconciliation Commission, ensuring equitable access to employment for Indigenous communities.

**Whereas:** Trade agreements allow for social procurement, with robust articles supporting the practice. For example, the Canada Free Trade Agreement between the provinces has articles that enable social procurement, particularly for legitimate objectives such as employment for disadvantaged groups or positive social outcomes.

**Be It Resolved That:** The Province of Manitoba, City of Winnipeg, Manitoba municipalities and the broader public sector implement Social Procurement policies into all government procurement regulations, including using the following three tools or a blend of each:

- A. Community Benefits Agreements, assigning 10% of the selection value to community benefits provisions for future projects, particularly considering benefits such as increased purchasing from social enterprises, cooperatives, and non-profits; increased job and training opportunities for people facing barriers to employment.
  - B. Set asides in purchasing that can only be accessed by social enterprises, cooperatives and/or non-profits.
  - C. Purchasing the social, environmental and economic outcomes directly as a program (for instance, funding a social enterprise as a training program that also provides goods and services to government)
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**How this Resolution will be Advanced:** At the City of Winnipeg level, the We Want to Work group of workforce integration social enterprises, allies, and supported by CCEDNet Manitoba is leading work on advocacy for a city social procurement policy and direct purchasing from social enterprises. CCEDNet Manitoba takes a lead with members and other partners on advocating for provincial social procurement adoption.

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