Attachment 1

Regional Municipality of Wood Buffalo Social Procurement Framework [1]

Social Procurement in context

Social Procurement is a growing practice that seeks to better leverage tax dollars to achieve positive social outcomes in keeping with community values and strategic objectives. By adopting this Social Procurement framework, the Municipality is taking an innovative, pro-active approach to community socio-economic development.

Public sector spending represents a significant portion of the region's economy. "Council stands behind our business community and looks forward to seeing the new Social Procurement framework take shape," said Mayor Blake. "We are proud to be the first municipality in Alberta to take this step – it will really help as we work together to strengthen our region from the ground up."

With billions in federal stimulus spending about to flow, interest in Social Procurement is on the rise. In November 2015, Prime Minister Trudeau specifically included Social Procurement in his mandate letter to Federal Procurement Minister Foote, communicating the need to modernize public sector procurement and signaling a new era for the advancement for social innovation and Social Procurement across Canada.

In February 2014, Social Procurement became law across Europe. Community Benefit Agreements are being added to public sector contracts in Ontario and Quebec. Nova Scotia is about to follow. This is good preparation for CETA, which unlike NAFTA, will impact municipal procurement. Toronto is poised to create Canada's first Social Procurement policy. The Municipality is demonstrating municipal leadership by becoming the first municipality in Alberta to adopt a social procurement framework. The primary objective driving the first phase of the Regional Municipality of Wood Buffalo Social Procurement Framework is economic development.

Regional Municipality of Wood Buffalo - Social Procurement Framework

The Municipality is committed to a procurement process for goods and services that takes into account ethical procurement and social procurement considerations. Vendors and potential vendors to the Municipality must respect fundamental human rights, treat their workers fairly and with respect.

Definitions of Ethical and Social Procurement are as follows:

- **Ethical Procurement**
  Ethical purchasing is a values-based approach to procurement that seeks to do no harm to society broadly. Ethical procurement is conducted in an open and transparent way that demonstrates honesty, integrity and professionalism; optimizing resources to deliver maximum

[1] The Regional Municipality of Wood Buffalo Social Procurement Framework designed by Sandra Hamilton

total value to the taxpayer.

- **Social Procurement**
  Social Procurement better leverages tax dollars to achieve positive social outcomes in keeping with community values and strategic objectives. Social purchasing promotes economic development and supply chain diversity by working to improve access for micro, small-medium enterprises (SME's) and equity seeking social enterprises. In supporting the development of a social enterprise ecosystem, social procurement also promotes inclusion and employment for disadvantaged groups, which contributes to the improved health and well-being of the entire community.

  Also known as Social Impact Purchasing or Socio-Economic Purchasing, Social Procurement signals to the marketplace that this community seeks to conduct business with companies that enhance rather than diminish social value.

The Regional Municipality of Wood Buffalo is committed to:

(a) Work cooperatively with vendors and other key stakeholders to advance Corporate Social Responsibility in the business community by promoting ethical procurement considerations and by encouraging vendors and subcontractors to work towards the highest possible ethical standards whenever practical;

(b) Develop a vendor community that exhibits leadership in Corporate Social Responsibility through its efforts to continuously improve best practices that protect the welfare of workers and the environment, and encourage sound social stewardship, all the while maintaining a competitive position in the market;

(c) Embed ethical, social and economic performance criteria into Municipal supply chain procedures, processes and activities;

(d) Ensure compliance with these principles by reserving the right to request external independent certifications, supplier disclosures, certifications and other reports as and when needed.

What is Social Public Procurement?

- Social Procurement better leverages tax dollars to achieve desirable and targeted social impact

- The Social Procurement framework aligns procurement with community values and strategic priorities

- Social Procurement seeks to balance the needs of People, Planet & Profit

- Social Procurement "*Moves beyond the do no harm of the environmental movement, to proactively do some good*" says Sandra Hamilton, the Municipality's consultant and a leading

social procurement advisor in Canada.

Over the last thirty years the environmental movement has done an excellent job of educating and increasing awareness surrounding the importance of developing more sustainable practices. This has led to considerable changes in behaviours and societal norms. Environmental considerations in government procurement have now become normalized.

Social Procurement seeks to further leverage tax dollars to achieve broad societal goals, increasing equality and supply chain diversity, while contributing to improved community wellbeing through the blending and weighting of social, environmental and economic considerations in the procurement process.

Social Procurement leverages the public procurement process for goods and services, to advance positive economic, workforce, and social development outcomes[2]. Social Procurement blends financial and social considerations in public sector purchasing to deliver against two bottom lines:

1. A commitment to purchasing the best value services and products, in keeping with the MEAT criteria, the Most Economically Advantageous Tender; and,

2. A commitment to better leverage limited public resources to achieve positive strategic community outcomes[3]

Why is the Regional Municipality of Wood Buffalo creating a Social Procurement framework?

- By expanding the traditional understanding of 'best value' in procurement, to include the generation of positive societal benefits, alongside high quality and competitive bids, the Municipality is working to maximize community benefits and deliver improved socio-economic returns for regional taxpayers, within the existing spend

- To ensure a sustainable and ethical approach to procurement, that is values aligned with the community vision and our Municipal Development Plan, constructed to support the strategic priorities

- To stimulate economic development

- To improve access to local government contracts for micro/small-medium enterprises and for equity seeking social enterprise groups

- To promote diversity and innovation through supply chain partnerships

- To stimulate growth and build the capacity of social enterprises in the community

[2] Adapted from Social Procurement: Guide for Victorian Local Government. State Government of Victoria, AU. October, 2010
[3] Adapted from the Toronto Social Procurement Framework, April 2013

Key Pillars Guiding Social Procurement

1. The procurement process will continue to meet all the principles of fairness, integrity, accountability and transparency, while also screening for transformational opportunities to enhance social outcomes of broad benefit to the community.

2. In advance of carrying out any procurement, the framework imposes a responsibility on the public sector buyer to consider how the purchase might be better leveraged to enhance the economic, social or environmental wellbeing of the region; to improve access for micro, small businesses and/or social enterprises; or to promote innovation[4].

3. When planning high social impact procurement opportunities, e.g. Service contracts for work such as janitorial, landscaping etc., this responsibility includes a requirement to engage in reasonable outreach to engage equity-seeking businesses/social enterprises.

4. The procurement framework continues to evaluate:-
1) Quality 2) Price 3) Environmental, while adding the fourth component 4) Social

Procurement will continue to be compliant with the obligations set out in both domestic and International Trade Agreements (NWPTA, AIT, etc.).

The Key Social, Employment and Economic Goals are:-

- Contribute to a stronger economy within the Community/Region
- Increase diversity among vendors
- Improve supply chain access for micro, small business and social enterprises
- Increase the number of good quality jobs, with benefits, for full-time residents
- Create jobs for disadvantaged groups and increase social inclusion, by improving contract access for equity-seeking groups, such as social enterprises
- Improve and enhance public spaces
- Increase training and apprenticeship opportunities
- Help move people out of poverty, providing increased independence and sustainable employment for those in need while reducing the social impact on the community.
- Improve opportunities for meaningful independence and community inclusion for citizens living with disabilities

[4] Adapted from the Scottish Social Procurement Act

- Stimulate an entrepreneurial culture of social innovation

Promotion of Contract Opportunities

In addition to bid opportunities, at or above an applicable trade threshold being publicly posted on Alberta Purchasing Connection (APC). The Municipality also encourages potential vendors to self-register on the Municipal website through the vendor database to provide exposure for departmental quoting that is under threshold values.

Community Benefit Agreement (CBAs)

CBA's are contractual obligations undertaken by bidders. Based upon learnings from the pilot phase, the Municipality will select an approach to determine when CBAs may be added to tenders and/or RFPs. The Municipal CBA evaluation criteria will be transparent and clearly defined in each procurement process.

Infrastructure planning and investment procurement will work to include Community Benefit Agreements in contracts. CBAs may be used on infrastructure projects to require contractors to develop recruitment programs for regional residents and/or to provide disadvantaged populations with construction work experience. In addition to hiring, apprenticeships and training targets, CBAs may also be used to improve public space within the community, or any other specific benefit as identified by the community.

Apprenticeship Plan

Bidders entering into a procurement process for the construction or maintenance of large multi-year infrastructure projects (valued at over $5 million) with a municipal asset shall provide a plan, which in the event of a successful bid, would outline the intended use of apprentices in the project construction and/or ongoing maintenance.

The plan will include the method by which the bidder intends to create employment and/or apprenticeship opportunities arising from the construction or maintenance contracts for regional residents and disadvantaged residents specifically from the community in which the infrastructure asset is located[5].

[5] Adapted language from Ontario Provincial Government, Bill 6, Infrastructure for Jobs and Prosperity Act, 2015