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Socio-Economic Procurement: Update on Social Procurement Pilots

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PSPC Pilot with Low Dollar Procurements: Catering/Hospitality

- Voluntary national capital region (NCR) pilot aims to diversify the supply market by facilitating PSPC to consider local diverse suppliers and social enterprises for their catering/hospitality requests.
- A list of self-certified local diverse suppliers and social enterprises will be created and shared with PSPC staff.
- Procurements targeted by this pilot will be under trade agreement thresholds (\$25K) and may be sole sourced.
- Expected outcomes: further expand PSPC's supply base; track social enterprises and diverse suppliers' participation into the procurement process; and document potential increases in economic opportunities for these suppliers.
- Pilot planned for launch in early 2018.



Pilot with Provisional Labour Services (PLS)

- A new PLS supply arrangement for provisional labour services will be launched in the new calendar year.
 - Temporary Help Services (THS) Standing Offer (SO) and Supply Arrangement (SA) expiring in April 2018.
- PLS request for supply arrangement will provide bidders the opportunity to self-identify as a diverse supplier.
- Client departments will automatically receive 7 supplier names, including 2 randomly selected suppliers from the diverse suppliers list.
- Audit plan on diverse suppliers to be implemented; those declared being a diverse supplier and failing to prove it will be removed from the list of pre-qualified suppliers.
- Monitoring will include the review of suppliers' quarterly usage reports to assess progress toward increased diverse suppliers representation.



Request for Information (RFI)

Temporary Help Services in the National Capital Region

- PSPC intends to implement a social procurement approach to leverage the government's buying power through procurement to support socio-economic objectives and to generate positive societal impacts. Specifically, PSPC is undertaking:
 - A simpler and more efficient process for all THS stakeholders, including an “express” process for simple requirements;
 - Social Procurement measures to increase the number and diversity of bidders on government contracts; and
 - Enhanced vendor performance measures that encourage good behavior from suppliers.



Implementation of Social Procurement Pilot

As per the PSPC Minister's mandate letter, PSPC is expected to develop

“initiatives to increase the diversity of bidders on government contracts, in particular businesses owned or led by Canadians from under-represented groups, such as women, Indigenous Peoples, persons with disabilities, and visible minorities, and take measures to increase the accessibility of the procurement system to such groups while working to increase the capacity of these groups to participate in the system”.

PSPC intends to implement a social procurement approach to leverage the government's buying power through procurement to support socio-economic objectives and to generate positive societal impacts. Social enterprises and diverse suppliers from four specific groups, would be identified during the SA qualification process.

Social enterprise

A social enterprise is currently defined as an enterprise that seeks to achieve social, cultural or environmental aims through the sale of goods and services in which the majority of net profits must be directed to a social objective (e.g., reducing environmental impacts of its products or including local training in the community).

Diverse supplier

A diverse supplier is currently defined as a business owned or led by Canadians from underrepresented groups, such as women, Indigenous Peoples, persons with disabilities and visible minorities. Each business is usually defined as being owned, operated and controlled by 51% of a given group (e.g., women-owned business, Indigenous-owned business, persons with disabilities-owned business, or visible minority-owned business).



PSPC is considering various models to confirm that a supplier meets the definition of a diverse supplier: 1. Suppliers self-certify with an attestation, to be verified by PSPC through audits throughout the life of the Supply Arrangement. 2. Use third party organizations to verify suppliers meet the diverse supplier definition and provide a certification for a fee.

- <https://www.buysocialcanada.com/suppliers>
- Canadian Aboriginal and Minority Supplier Council
- WBE Canada, Certified Women Business Enterprises
- Canadian Council for Aboriginal Business
- Inclusive Workplace Supply Council of Canada
- Social Purchasing Project (for social purpose enterprises)

PSPC seeks industry input incorporating social procurement measures in the THS method of supply, e.g. 1. Make it mandatory to invite a minimum number of diverse suppliers to bid on each THS requirement. 2. Permit Designated Users to include a rated criterion in their THS RFP to award 5-15% of the total point value to diverse suppliers or to suppliers that have a diversity policy.

