

Budget Paper C: Social Procurement

The provincial government and the broader public sector (including crown corporations, hospitals, academia, and schools) purchase significant amounts of goods and services. This purchasing is referred to as procurement. Procurement makes up a significant portion of the provincial budget. Across most Canadian jurisdictions, procurement contracts have been awarded based largely on lowest cost, without considering the potential community, social, economic, and environmental benefits of procurement dollars. However, the practice of social procurement has been trending across municipal, provincial, and federal jurisdictions in Canada, and Manitoba is already a leader.¹ Examples include community participation in federal infrastructure investments and other pilot projects, or social procurement policies adopted by Calgary, Toronto, Vancouver, and other jurisdictions.

Social procurement is the practice of using existing purchasing to promote community benefits and social, economic, and environmental outcomes. Possible benefits include reductions in crime, savings in health care, social services, and justice budgets, higher employment, reduced poverty, and strong local economies — all of which contribute to vibrant and sustainable communities with high quality of life.²

In Manitoba, social procurement has already been implemented in several instances. Manitoba

Housing's use of social enterprise for the maintenance and energy efficiency retrofits of Manitoba's affordable housing stock is an exceptional example of social procurement, with an explicit community benefit of creating jobs for people facing barriers to employment (see the APB section on Economic Development and Training/Climate Crisis for more).³ 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.⁴

The University of Winnipeg procures its food and catering services from the social enterprise Diversity Food Services Inc. Diversity provides meaningful employment for traditionally disenfranchised individuals, ethically procured ingredients and environmentally sustainable kitchen management. Since 2015, UWinnipeg has been recognized as having Canada's most sustainable campus food service.⁵ The City of Winnipeg has a procurement pilot project to divert mattress from the landfill to Mother Earth Recycling, an Indigenous-owned social enterprise that provides meaningful training and employment opportunities to Indigenous people through environmentally sustainable initiatives.⁶

Manitoba's involvement in the Investing in Canada Infrastructure Program is a bilateral infrastruc-

ture funding program that includes community benefits reporting, particularly targeting employment for marginalized communities or purchasing from social enterprises on large infrastructure projects.⁷

There is an immediate, attainable, and cost-effective opportunity to scale multiple social, economic, and environmental outcomes through social procurement so public dollars can do double duty. For government, social procurement leverages existing procurement needs to address community objectives.

The Province of Manitoba can implement Social Procurement policies into all government procurement, including using the following two tools or a blend of each:

- Including points awarded to social, environmental and economic outcomes in the bid evaluation process when purchasing goods and services, through tools such as Community Benefit Agreements (CBAs). This procurement policy tool supports local investment and the rights of labour and can provide meaningful employment for people facing barriers to employment. Often, CBAs involve contracting work to social enterprises or cooperatives with social, economic, and environmental objectives that meet government objectives. CBAs are already being used in Manitoba, notably with

the provincial government's partnership with the Government of Canada the *Investing in Canada Infrastructure Program*. This stipulates that provinces, or the ultimate recipients of federal infrastructure dollars valued at ten million dollars or more, must report on community employment benefits realized through the project funding.

- Direct purchasing from social enterprises, cooperatives and/or non-profits that are dedicated to a community benefitting mission. In turn, this helps these enterprises grow in capacity, and helps governments see a greater return on investment.

Procurement in Manitoba takes place in almost all government departments, from small to very large purchases of goods and services. In the past number of years, up to \$7 million has been spent on social enterprise procurement through the Manitoba Housing example, money that would have been spent regardless to maintain Manitoba's social housing stock.⁸ We recommend that over the next year, the Province of Manitoba learn from their own example and from other jurisdictions, with the goal of implementing social procurement policies across all government departments and spending to generate additional value through enhanced economic, social and environmental outcomes.

¹ Canadian CED Network. 2019. "Community Benefits". Available at: <https://ccednet-rcdec.ca/en/page/community-benefits>

² Buy Social Canada. 2018. *A Guide to Social Procurement*. Buy Social Canada. Available at: https://buy-social-canada.cdn.prismic.io/buy-social-canada%2F47fa7b64-c5fo-4661-9a00-93a936f38ddo_bsc_socialprocurement_screen-opt.pdf

³ Buy Social Canada. 2018. "The Manitoba Housing Example: A Case Study of Social Procurement." Available at: https://buy-social-canada.cdn.prismic.io/buy-social-canada%2F96eb56e0-a065-49co-af1d-a7e891ffa79a_mh_report_en.pdf

⁴ Bernas, K. and Blair Hamilton, 2013. *Creating Opportunities with Green Jobs. The story of BUILD and BEEP*. Canadian Centre for Policy Alternatives MB. Available at: <https://mra-mb.ca/publication/creating-opportunities-with-green-jobs-the-story-of-build-and-beep/>

⁵ Diversity Food Services. No date. "Diversity's Goals & Objectives." The University of Winnipeg. Available at: <https://www.uwinnipeg.ca/food-services/about/goals.html>

⁶ Mother Earth Recycling. No date. "About Mother Earth Recycling". Available at: <http://www.motherearthrecycling.ca/about/>

⁷ Manitoba Strategic Infrastructure Secretariat. 2019. "2.4.3 Community Employment Benefits Reporting." In *Investing in Canada: Program Guide*. Available at: https://manitoba.ca/asset_library/en/documents/fedprovrelations/strainfrasec/1C1P-ManitobaProgramGuide.pdf

⁸ Buy Social Canada. 2018. "The Manitoba Housing Example: A Case Study of Social Procurement." Available at: https://buy-social-canada.cdn.prismic.io/buy-social-canada%2F96eb56e0-a065-49co-af1d-a7e891ffa79a_mh_report_en.pdf