

**TO:** CHAIR AND MEMBERS  
FINANCIAL MANAGEMENT COMMITTEE

**DATE:** 2021 November 10

**FROM:** DEPUTY CHIEF ADMINISTRATIVE  
OFFICER & CHIEF FINANCIAL OFFICER

**FILE:** 5820-20

**SUBJECT:** **BRITISH COLUMBIA SOCIAL PROCUREMENT INITIATIVE (BCSPI)**

**PURPOSE:** To provide information on the British Columbia Social Procurement Initiative.

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**RECOMMENDATION:**

1. **THAT** the Financial Management Committee receive this report for information.

**REPORT**

**1.0 INTRODUCTION**

A letter was sent to His Worship, Mayor Hurley and received by Council on 2021 July 26 offering information to the City of Burnaby to join the British Columbia Social Procurement Initiative (BCSPI). The correspondence was then referred to the Financial Management Committee who requested staff to provide information on the benefits of joining BCSPI. BCSPI is an expansion of the Coastal Communities Social Procurement Initiative (CCSPI), which has established a network of local governments on Vancouver Island and in Coastal Communities since 2018 with a goal to advance the implementation of social procurement best practices.

**2.0 POLICY SECTION**

**Goal**

- A Connected Community
  - Partnership –  
Work collaboratively with businesses, educational institutions, associations, other communities and governments
- A Dynamic Community
  - Economic opportunity –  
Foster an environment that attracts new and supports existing jobs, businesses and industries

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### **3.0 BACKGROUND**

Social procurement initiatives typically leverage government spending to try to achieve additional social benefits for a community, including social goals as well as operational priorities through a blending of social, environmental and economic considerations in public sector purchasing to meet specific community needs.

Local governments participating in BCSPI receive access to a full suite of professional development and training, template documents, case studies, impact measurement tools, a members-only website, and expert consultation for an approximate annual cost of \$7,500. Fees are commensurate with those of the Lower Mainland Local Government Association.

The current approach to purchasing goods, services, and construction by City of Burnaby staff is directed by the City's key strategies, initiatives, policies and legislation based on trade agreements. As needs are identified, Purchasing and other departmental staff collaborate to ensure specifications reflect Council and City priorities in bid documents and are considered when awarding contracts.

The trade agreements set out obligations for local governments when undertaking procurement activities and expressly prohibit governments to restrict competition to local suppliers only, above certain trade thresholds. For contracts below \$75,000, there is, however, some flexibility within the City's Purchasing Policy to directly solicit quotes from local and capable suppliers to fulfill operational needs who could for example be a social enterprise or a non-profit organization.

Under the umbrella of social procurement, the City has been an active leader and participant on several fronts:

#### **Fair Wage Policy**

In 1988, Council adopted a fair wage policy requiring all City designed construction contracts over the estimated threshold of \$250,000 to ensure fair wages and remuneration be paid to workers of contractors and subcontractors who undertake such contracts. The minimum rates (CUPE rates for civil projects and Construction Labour Relations Association of BC (CLRA) rates for civic facilities projects) are stipulated in the Compensation Schedule of the tender construction documents.

#### **Living Wage Policy**

In 2020 January, the City became a Living Wage Employer, and as part of the certification, the City adopted a living wage policy that applies to all service contracts (for service providers and their subcontractors) having an estimated annual value greater than \$250,000 and when work is completed on City-owned premises.

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## Procurement Cards

The City's procurement card program (PCard) is another method of staff engaging in procurement strategies to increase spending with social benefit suppliers. These targeted low-value purchases can increase participation of social benefit businesses, and award purchases to the local vendor community, and staff can purchase goods or services directly from a particular business without soliciting from other suppliers.

### 4.0 SUMMARY

Currently, there is sufficient training and network opportunities, as well as learning materials available to staff to pursue next phases of social procurement development at the City. The BCSPI has been using some of the materials from the City of Vancouver's Social Procurement Program for their initiative. More recently, the BC Government provided the City of Victoria a one time grant of \$500,000 to continue with the group and their social procurement efforts, and since then the BCSPI have decided to expand to other regions in BC and invite larger municipalities to join. Given the City's current and planned initiatives into social procurement, the value proposition is not as strong for the City to join as our membership fees would be significantly higher and we may not be receiving the full merits of the benefits of membership. City staff have also been looking at more national forums where the City may benefit from shared leverage with the work of larger local governments.

At the request of Council at its open meeting on 2021 January 25, staff are currently supporting efforts with the Social Purpose Institute of the United Way and the Burnaby Board of Trade with in-kind staff time, participation at upcoming social purpose workshops in October and November, and reviewing social purpose procurement opportunities as an output of these workshops in an effort to promote social purpose in business in Burnaby.

For 2022, plans include a focus on supplier diversity, targeting social enterprises as new vendors when opportunities present themselves. The Purchasing Department will work to identify service categories for social value opportunities, validate a baseline for its community of vendors, and bring awareness and education to City staff through training workshops. It is recommended that the Financial Management Committee receive this report for information.



Noreen Kassam, CPA, CGA  
DEPUTY CHIEF ADMINISTRATIVE OFFICER  
& CHIEF FINANCIAL OFFICER

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Copied to: Chief Administration Officer