Canadian Centre for the Study of Co-operatives (CCSC)

Turning Up the Dial on Saskatoon's Social Procurement

A Multi-City Policy Analysis

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Abstract

As social problems such as unemployment, housing insecurity, and environmental damage worsen in Canada, organizations like social enterprises that aim to solve these problems are increasingly valuable to communities by mitigating structural harms and increasing well-being. Yet, this social value is often overlooked by procurement policies that favor organizations with the lowest costs, leaving social enterprises unrecognized for the social value they generate and the cost-savings their work produces. In the present study, we examine how social value is codified in procurement policies across five Canadian cities (Saskatoon, Calgary, Winnipeg, Vancouver, and Halifax). We provide an overview of each city's policies in terms of how they plan to achieve social outcomes, incentives for suppliers, indicators of successful social procurement, risk mitigation, and prioritization of social outcomes. Considering these dimensions, we identify the policy mechanisms currently being used to ensure social procurement successfully leverages social value for each city. To conclude, we briefly discuss the innovative potential of Community-Driven Outcomes Purchasing Agreements (CDOPAs) to capture the cost-savings of social value production.

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1. INTRODUCTION

Social Enterprise as a Problem Solver

As problems such as rising unemployment, insecure housing access, and environmental damage loom over Canadians, social enterprises have emerged as positioned to offer innovative and cost-effective solutions. Social enterprises are "community-based businesses that sell goods or services in the marketplace to achieve a social, cultural and/or environmental purpose" (Social Enterprise Council of Canada 2021, 1). Tangible examples include Winnipeg's Mother Earth Recycling, a social enterprise that provides employment and training to urban Indigenous community members through a mattress recycling service (Buy Social Canada 2023), or SPICE (Solar Power Investment Co-operative of Edmonton), a co-operative that supports community members transitioning to renewable energy through solar panel investment services.

Like most third-sector entities, social enterprises often struggle financially, getting by on piecemeal contracts, donations, and episodic funding with very few opportunities for conventional financing. Municipal (and other) policymakers have, however, started paying attention to social enterprises because they promise to at once generate tangible goods and services that cities need (e.g., recycled mattresses; renewable energy) alongside social outcomes (e.g., training urban Indigenous youth) while also helping reduce the need for government intervention and hence expenses.

For example, a recent report on Build Up Saskatoon, a construction social enterprise of Quint Development that provides training, supports, and employment to people who have been involved in the criminal justice system, found this social enterprise can save government agencies—such as the Ministries of Justice, Social Services, and Corrections, Policing and Public Safety—at least $126,489 per year, with a return on investment of $1.39 for every government dollar invested in the organization (Pigeon and Yu, 2024).

Government Support Solutions through Social Procurement

In this study, we look at a sample of mid-sized and large municipalities to understand how they have integrated social enterprises into the policies that guide their purchases of goods and services ("procurement policies"). Based on these findings, we identify a set of practices municipal governments can use to work more effectively with social enterprises and deliver social impacts that align with public goals and priorities (Furneaux and Barraket 2014; Lecy and Van Slyke 2013). As we note, these practices start with a recognition that social enterprises can generate real "social value," a term that refers to the "impacts of programmes, organisations, and interventions, including the wellbeing of individuals and communities, social capital, and the environment" (Mulgan 2010, 1). A 2023 study found at least twenty-three different ways social enterprises reported generating social value, including providing skills training and employment opportunities, reducing poverty, increasing food security, supporting immigrants and refugees, supporting persons with disabilities, and increasing literacy (Buy Social Canada).

And yet, policymakers all too often frame social value as an abstract, virtuous concept, rather than something associated with concrete outcomes. In fact, research on social enterprises

over the past decade has repeatedly found policymakers continue to make their sourcing decisions by seeking the lowest cost provider and seeking assurance of high quality, with little to no recognition of social value (Loughheed and Donkervoort 2009; Sumner et al. 2022). Through surveys and case studies, Sumner et al. (2022) found that when these low-cost priorities are reflected in procurement policies, social enterprises are left at a disadvantage:

> *Their experience is that social value is rarely, if at all, a criterion in government procurement regardless of the policies in place. […] The cases […] highlight that the supply chain from the customer side has yet to incorporate social value, which leaves many social enterprises with little to no opportunity to leverage their social value or use it as a differentiating factor in the marketplace (Sumner et al. 2022, 171).*

Without formal policy to guide the purchase of social benefits, decisions to include social value as an evaluation factor is left to the discretion of municipal managers, and such benefits treated as an afterthought to existing procurement structures (Sumner et al. 2022). A representative from Choices for Youth, a social enterprise in St. Johns dedicated to preventing youth homelessness, emphasized a "social procurement policy with real targets and incentives" would significantly fuel their organization to deliver social value (Buy Social Canada 2023, 51). As is, social enterprises often face an uphill battle in competing with traditional businesses (Dragicevic and Ditta 2016) for municipal contracts.

2. METHODOLOGY

Because they struggle to win municipal contracts, they find it difficult to access financing (Buy Social Canada 2023), leaving them highly dependent on the episodic and uncertain funds arising from donations or their business ventures. To anchor our comparative study and recommendations on best practices around social enterprises, we asked the following question: "How have Canadian city procurement policies codified social value?" Based on this question, we collected and thematically analyzed procurement policies for a convenience sample of mid-sized to larger cities, with special emphasis on prairie municipalities given our starting point of Saskatoon.

Aside from Saskatoon, the sample consisted of procurement policies from Winnipeg, Calgary, Vancouver, and Halifax. It extended to documents that were incorporated by reference in these core procurement policies. After building our sample, we coded the policies and referenced texts, attending to how the municipalities integrated social value into their procurement strategies. We refer to these different integration strategies as "dimensions."

Because we used an inductive approach to data generation (Braun and Clarke 2013), our codes and related dimensions were not informed by prior categories or theories. Rather, they emerged from the language of the policies. After determining the dimensions of social value codification, we assessed how each dimension either promoted or hindered the deployment of social value as an evaluative criterion in procurement policies. Finally, we ranked the cities by considering the extent to which their procurement policies leveraged all the identified dimensions. This exploratory ap-

proach aligned with our goal of gaining a well-rounded, multidimensional view of what social procurement looks like across a convenience sample of Canada's mid-sized to large urban centres.

Dimensions of Policies

The first stage of analysis found social procurement was described in terms of five dimensions:

1. Plans to achieve social outcomes (Planning)
2. Incentives for suppliers to produce social outcomes (Incentivization)
3. Specific benefits of social procurement (Indicators of Success)
4. Risks of purchasing social outcomes (Risk mitigation)
5. Social value as a priority for the city (Prioritization)

This section illustrates each dimension with citations and examples and describes how it is mobilized to either hinder or promote social value. In the following section, we look at how these dimensions take shape within the procurement policies of each city.

1. Planning

The Planning dimension looks at how the procurement policy lays out a plan of action to produce social impact. In terms of planning, policy approaches were found to be either **aspirational** or **strategic**. Aspirational planning spoke of social procurement as an ideal to be reached some time in the future, arguably hindering its immediate enactment. For example, Saskatoon's Purchasing Policy states that the city will "work towards the sustainability objectives" (City of Saskatoon Council 2018, 30). In contrast, policies with strategic planning set out clear paths and mechanisms for putting social procurement in practice. For example, Calgary's strategy lays out a five-step process:

1. Add social value considerations to existing purchases;
2. Adjust the criteria for procurements;
3. Weigh the value of the criteria;
4. Evaluate the vendor bids using the criteria;
5. Award contracts and measure outcomes. (City of Calgary Supply Management 2021)

2. Incentivization

This dimension refers to social procurement incentives, financial or otherwise, to encourage municipal managers to make use of social procurement and for suppliers to include social value in their proposed contracts. Policies with low incentives approach social outcomes as **optional** and suggest that achieving these outcomes hinges on the goodwill of everyone involved in the procurement process. Saskatoon for example says its Indigenous procurement "guidelines are not mandatory" (City of Saskatoon Supply Chain Management 2019, 2) but also notes that they support the city's diversity and inclusion goals. By proposing social outcomes as rewards in and of themselves, suppliers and purchasers have little reason to diverge from their traditional procurement practices.

In contrast, **mandatory** approaches establish explicit benefits for suppliers and purchasers to use procurement as a tool for social outcomes, such as by including social value requirements in certain procurement bids and contracts (Halifax Regional Council 2022). Policies with this approach outline clear requirements and rewards for suppliers and purchasers that encourage a unified effort towards generating social outcomes in the city.

3. Indicators of Success

Procurement policies also describe how to determine whether social impact has been

achieved. This dimension pertains to the kinds of outcomes and benefits the city wants to achieve through social procurement. Policies that promote social value define specific **intersecting benefits** of social procurement, outlining multiple categories of social outcomes — environmental, ethical, social, or Indigenous — for suppliers to strive towards (City of Winnipeg 2022). Policies with a less clear vision of social procurement, however, outline the indicators in vague terms or as a general **increase in sustainability**. While this approach provides flexibility, it shifts the responsibility and workload onto suppliers to determine their own community impact and how it aligns with city goals.

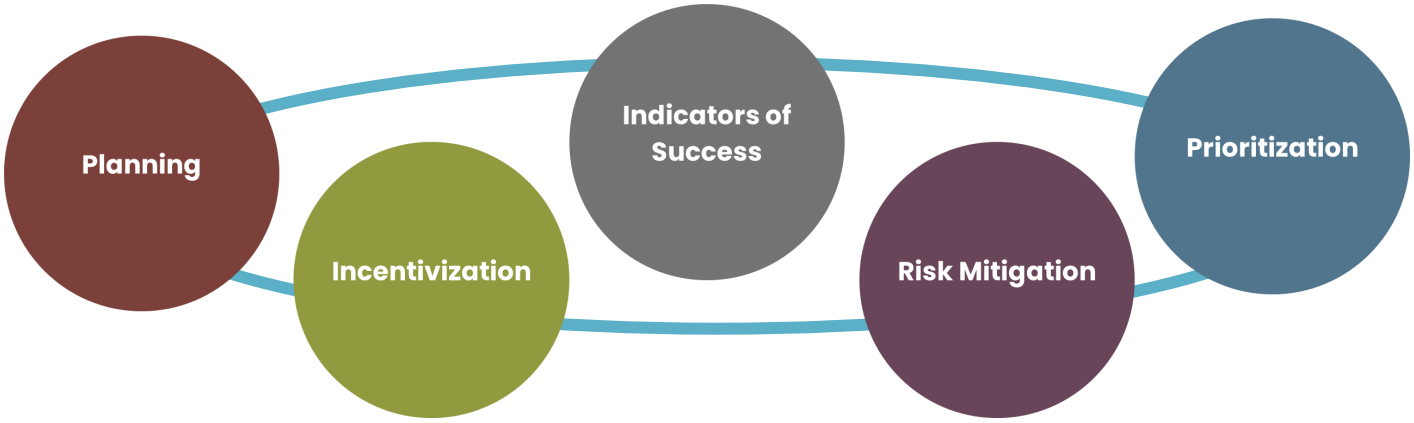
4. Risk Mitigation

This dimension evaluates how the policies address the real and perceived risk factors associated with social procurement, namely perceptions that the concept is vague and associated with increased cost. Policies that do not incorporate mitigation efforts to address these perceptions limit the extent of social procurement and offer suppliers a way to **bypass** social procurement or social impact requirements altogether. In contrast, policies that promote social value mitigate these risks by **guiding suppliers** through the transition to new, socially oriented procurement practices. For example, Calgary's social procurement strategy includes a risk assessment chart that identifies potential risks or issues with the social procurement process, assesses the level of risk involved, and describes a treatment to mitigate each risk (City of Calgary Supply Management 2021). By frontloading these risks, assessing them, and describing how they can be mitigated, the policies offer support and instruction to suppliers adjusting to new procurement practices.

5. Prioritization

This final dimension evaluates the extent to which social value is prioritized throughout the procurement policy. Social value is promoted by policies that **prioritize social value** in all facets of procurement by attending to the long-term social impact on the city's communities. Vancouver's policy, for example, ensures "sustainable and ethical procurement considerations [are] integral evaluation components" in supply selection (City of Vancouver 2022, 7).

By contrast, the ability to achieve social value is hindered by policies falling into old habits that **prioritize the immediate numeric cost** of a purchase with only after-the-fact consideration of the value associated with any related social outcomes. They also tend to relegate social value to an add-on section rather than carefully weaving it through the procurement policy.



3. CITY PROCUREMENT POLICIES AND SOCIAL VALUE

	Hinder vs Promote Social Value	Saskatoon	Calgary	Winnipeg	Halifax	Vancouver
Planning	Apsirational	✗				✗
	Strategic		✓	✓	✓	
Incentivization	Optional	✗	✗			
	Mandatory			✓	✓	✓
Indicators of Success	General Sustainability		✗			
	Intersecting types of benefits	✓		✓	✓	✓
Risk Mitigation	Bypassing potential risks	✗				
	Guidance through the process		✓	✓	✓	✓
Prioritization	Immediate financial costs		✗			
	Social impact	✓		✓	✓	✓
Total promoted social value (out of 5)		2	2	5	5	4

Saskatoon, SK

For the City of Saskatoon, we analyzed the Purchasing Policy (City of Saskatoon Council 2018a), the subsequent and companion Indigenous Procurement Protocol (City of Saskatoon Supply Chain Management 2019)1, and the Triple Bottom Line policy (City of Saskatoon Council 2020). See Appendix A for a timeline and more detail. We also considered coding the city's procurement manual (City of Saskatoon 2018b) but found that references to social procurement in the manual were repeated verbatim in the procurement policies.

Our analysis finds that Saskatoon's procurement policies take an aspirational approach towards social procurement, with the core Purchasing Policy declaring for example that the city will work with suppliers "to advance corporate social responsibility in the business community by promoting the policy and *encouraging* suppliers and subcontractors to work towards the sustainability objectives of the Policy" (City of Saskatoon Council 2018a, 30, emphasis added). The same Purchasing Policy expresses the city's commitment to encouraging and promoting sustainable procurement but does not bolster this commitment with specific goals or a plan of action, nor does it detail the concrete steps suppliers can take to work towards the city's sustainability objectives.

The mention of corporate social responsibility additionally reveals how the policy frames social value as an optional, ethical duty of businesses

rather than a requirement. Similarly, the Indigenous Procurement Protocol for example emphasizes that social value (benefits) depends on purchasing manager goodwill, suggesting that city divisions "should consider the role of Indigenous Suppliers" during procurement, while simultaneously recommending that "Indigenous procurement criteria are properly applied as desirable, and not mandatory criteria" (City of Saskatoon Supply Chain Management 2019, 2). Further, although city councillors have approved a target of 5 percent of contracts going to Indigenous businesses by 2025 (compared to the 1 percent recorded in 2021; Dayal 2023), the policy does not set aside Indigenous-only bids to ensure that this goal will be met.

Saskatoon's Purchasing Policy also limits the extent to which social impact can be leveraged. For example, Saskatoon uses a points system to evaluate bids, wherein a team scores a procurement bid according to predetermined criteria.

Social impact can be included as part of the criteria, but the city considers economic, environmental, and social sustainability criteria for procurement only "where practical" and "where applicable" (City of Saskatoon Council 2018, 30). This creates a path for suppliers who are not focused on community benefit to opt out of including social impact criteria, and in so doing, can put social enterprises at a disadvantage since they might struggle to compete on quality or price even if they excel in delivering social value. When Indigenous participation is included as a procurement criterion, the Indigenous Procurement Protocol also explicitly limits the value of Indigenous participation to no more than 10 percent of the total points awarded to a bid "to ensure that quality and price remain the most important criteria" (City of Saskatoon Supply Chain Management 2019, 2). This illustrates the perceived disconnect between social impact and economic outcomes, as it suggests that Indigenous participation—including Indigenous employment, ownership, or skills training—is an ethical responsibility, yet unrelated to quality or cost and therefore less important. Such a conceptualization overlooks the economic impacts of organizations generating social change.

The policy does, however, promote social value through its indicators of success and its prioritization of social impact. By providing clear and detailed indicators of what constitutes sustainable procurement, the Purchasing Policy uses a best value approach to consider the economic, environmental, and social sustainability effects of procurement. Further, the definitions for each of these effects are grounded in their direct impact to communities, such as social sustainability cultivating "vibrant, creative, safe, affordable, and caring communities" and environmental sustainability focusing on protecting the ecology "for future generations" (City of Saskatoon Council 2018, 6). The policy also outlines specific sustainability criteria for products and services, such as environmentally sustainable resource consumption, the health and safety of product and service users, and worker compensation (City of Saskatoon Council 2018). This list is non-exhaustive, thus providing clear examples of expected outcomes for suppliers—albeit without obvious measurable indicators—while leaving room for expansion.

Although the Purchasing Policy does not weave social value throughout its guidance, supporting documents demonstrate Saskatoon's prioritization of the concept.

Calgary, AB

We analyzed Calgary's integration of social value in its Public Value through Procurement Policy (Calgary City Council 2021) and Social Procurement Strategy (City of Calgary Supply Management 2021). Calgary began looking into social procurement in 2018 and approved the Public Value through Procurement Policy and the Benefit Driven Procurement Strategy in 2021 (Calgary.ca 2023). Although it was not originally called social procurement, the strategy was developed with the concept in mind, as it defines benefit-driven procurement as the practice of "adding social value from our purchases" (City of Calgary Supply Management 2021, 5). Omitting the word "social" in the name of the Benefit Driven Procurement Strategy may have been a deliberate decision to encourage smoother reception of the policy. Indeed, the Benefit Driven Procurement program was renamed the Social Procurement program in May of 2023 (Calgary.ca 2023), and one month later, was criticized by a city councillor because of perceptions it introduced unnecessary expenses. However, there is no evidence the program increased city costs over the three years prior (Thomas 2023).

Calgary's approach to procurement takes this kind of resistance to integrating social value into account—in some cases, proactively anticipating and responding to it. For example, the policy dispels myths about social procurement by explicitly addressing potential and perceived risks and offering solutions for how they can be mitigated. It acknowledges, for example, concerns about additional workload accompanying the new procedures, and addresses these concerns by offering training and information sessions (City of Calgary Supply Management 2021). In terms of planning, the policy offers concrete strategies for suppliers to engage in social procurement. For example, it encourages suppliers to align their organization's outcomes with the city's pre-established social impact goals, such as greater economic opportunity for historically underrepresented groups.

It also incorporates social value into scoring criteria and introduces a mandatory social procurement questionnaire that can be evaluated in competitive bids at a minimum 5 percent weight (City of Calgary Supply Management 2021). Further, the policy lists community-benefit agreements as a potential mechanism to achieve social value through procurement. With these structures for social procurement in place, the policy streamlines the process for suppliers who perceive social procurement as additional work or are unaware of their social impact. The questionnaire has proven particularly useful, as 53 percent of current city contracts are going to organizations with the highest questionnaire scores (Thomas 2023).

Notwithstanding these efforts to help suppliers with the social procurement process, the policy also imposes significant constraints that limit the potential impact of social value procurement. For example, the Social Procurement Strategy maintains as its priority the immediate cost to the city, stating in bold font that the community-benefit component of its strategy "does not increase the cost of procurement or decrease the quality of what we receive" (City of Calgary Supply Management 2021, 7). While this may have been a strategic decision to make the policy more agreeable, dispelling concerns that social procurement is more expensive or of lesser quality, this language positions the immediate cost of procurement as the highest concern. As a result, social value is relegated to ethics and virtue rather than the cost-savings (from reduced social costs) it might generate for the municipal government. Despite one of the

city's goals being to support social enterprises, the policy does not create a pathway for the city to invest in suppliers whose activities produce cost savings for the government through their social mission.

The policy's cautious approach extends to the definition of social outcomes and the extent to which it can incentivize them. For example, the policy makes vague reference to the areas for social benefit. Whereas other cities list tangible benefits such as kilograms of waste reduction or number of equity group members receiving training as potential social impacts, Calgary's policy focuses more generally, and without further elaboration, on "economic, socio-cultural, environmental, and political outcomes" (Calgary City Council 2021, 1). Notably, it was the only city reviewed that emphasized vaguely defined political outcomes. The city documents do not explain how these political outcomes benefit the city's communities. Further, the city does not offer advantages to suppliers who produce social benefits across its full spectrum of procurement practices.

For example, the Benefit Driven value criterion is "not required but recommended" for non-competitive procurements or for all competitive goods and services $75,000 or greater (City of Calgary Supply Management 2021, 9). This means that social outcome requirements are limited to smaller levels of city investment.

Winnipeg, MB

Rather than amending existing polices to include social value, Winnipeg's approach to social procurement mirrors Calgary's method of instituting a separate document to cover social procurement processes in detail. Our analysis considers the Winnipeg Materials Management Policy (City of Winnipeg Council 2022) as well as the Sustainable Procurement Action Plan (City of Winnipeg 2022), approved by council in July of 2022 (DCN-JOC New Services 2022). The Materials Management Policy is a brief general guideline to procurement and provides an overview of sustainable procurement concepts. The Sustainable Procurement Action Plan fills in any gaps by laying out the indicators of social procurement, describing specific mechanisms to achieve social outcomes, and explaining why these outcomes are important.

In Winnipeg's action plan, social procurement revolves around a four-pillar program: environmental, ethical, social, and Indigenous (City of Winnipeg 2022, 4). The framework recognizes social and Indigenous as distinct yet intertwined pillars with related benefits for the community. The plan categorizes indicators of social impact into these pillars, then translates these outcomes into attainable goals. For example, the action plan strategically illustrates a vision for social impact in Winnipeg and grounds this vision "with specific outcomes that can be asked for and reported on in the procurement process" (City of Winnipeg 2022, 6). Such goals are specific and targeted, including:

- increased employment and training opportunities for First Nations, Inuit, Red River Metis peoples, and other equity-deserving groups;
- increase in organizations paying a living wage;
- increased energy efficiency and reduction in greenhouse gas emissions; and
- increased access to local food (City of Winnipeg 2022)

These goals are then supported by clear reporting metrics for each three-year span, and multiple mechanisms for achievement, including:

- sustainable procurement questionnaires on requests for proposals, quotations, and information;
- community benefit agreements that are mandatory for large-scale infrastructure projects; and
- set-aside contracts for Indigenous businesses and social enterprises (City of Winnipeg 2022

The plan also includes rewards for suppliers who contribute to social impacts in the community: "Suppliers are recognized for and increase their contributions to the advancement of the Winnipeg community socially, economically, culturally, and environmentally" (City of Winnipeg 2022, 6). Points for social value are built into all contract evaluations, thus encouraging suppliers to participate in social procurement. While these points must be included, their weighting is variable, although the policy recommends that social value be weighted 10 to 15 percent.

By providing educational resources on the city website and creating channels of communication throughout the procurement process, the plan mitigates the risk of suppliers not being recognized for the value they produce and also ensures that city employees are able to support them. The plan explicitly lists the expectations of city employees and the responsibilities of Materials Management in conjunction with the Office of Sustainability, Indigenous Relations Divisions, and other departments and experts (City of Winnipeg 2022). Social procurement is thus presented as a collaborative, mutually supported process to guide suppliers towards city-wide benefits. Offering suppliers additional guidance through this transition, the Sustainable Procurement Liaison position and the Indigenous Rightsholders Sustainable Procurement Advisory Table facilitate continuous communication among stakeholders and ensure that training is meeting needs appropriately.

Prioritization of social impact is evident throughout Winnipeg's policies. Although the Materials Management Policy does not describe sustainable procurement in much detail, the "procurement of sustainable goods and services" is listed as one of the guiding principles of the policy (City of Winnipeg Council 2022, 1). The action plan further acknowledges the "work already being done by suppliers" to create positive benefits in their communities is "not formally recognized in the current procurement practices of the city" (City of Winnipeg 2022, 2). The action plan was created to address these gaps.

Halifax, NS

Similar in size to Saskatoon, Halifax offers insight into what social procurement looks like outside the Prairie Provinces. The city describes its social procurement efforts explicitly in terms of social value, having integrated a social value framework as an appendix to the current Procurement Administrative Order (Halifax Regional Council 2022) and as a section titled "Social Value and Supplier Code of Conduct" in the procurement manual (Halifax Regional Municipality 2023). When the policy was first passed, it received support from councillors and was criticized only for needing to be more actionable (Heintzman 2020). Following concerns in 2020 that the social procurement policy was too vague or appeared to be optional (Heintzman 2020), the documents were updated to provide more solid footing for social procurement.

The documents set out actionable policy objectives in several ways. In terms of planning, while the policy does not establish timelines or measurable goals for the city, the manual breaks down the process of social value procurement for division staff in seven steps[2]. These steps list in detail how staff should create mandatory

social value requirements for each procurement opportunity and evaluate bids accordingly (Halifax Regional Municipality 2023). The manual also includes questions that staff can ask to determine which social impacts might be appropriate evaluation criteria. These questions provide staff with a clear process for integrating social value into the procurement process.
Notably, the policy does not shy away from mandatory social impact requirements. The policy sets out a requirement that social impact criteria be included wherever possible, and recommends they be weighted between 10 and 30 percent—the highest recommendation of the reviewed cities. This applies to all requests for quotation and tenders, wherein "social value considerations are typically not subjectively evaluated and are more often stated as mandatory requirements" (Halifax Regional Council 2023, 57). Further, the city allots invitations for social enterprises or diverse suppliers to be included in bids where a relevant supplier exists. While these policies demonstrate the city's dedication to meeting social value goals, they also leave room for flexibility where there is no readily available mechanism to integrate social value into a bid.

The policies also ensure that suppliers are guided through the social procurement process and that all requirements are rigorous yet attainable. For example, although all bids with an anticipated value of more than $1.25 million must include social outcome requirements, the Procurement Section can evaluate whether workforce development or employment equity criteria should be included, based on suitability, reach, volume, and feasibility (Halifax Regional Council 2022). Each criterion is based on whether the employees targeted by these requirements would actually be likely to experience these benefits under the contract, thus mitigating the risk of suppliers failing to deliver their products and of community members not benefitting from the social outcome requirements. Further, the indicators of social value appear as lists in both documents, as follows:

- supplier diversity;
- workforce development;
- living wage;
- community benefits;
- environmental benefits;
- socially responsible production; and
- health and safety practices.

While connections between these diverse indicators are not explained, the procurement manual translates the indicators into examples of how different types of requests can demonstrate social benefit (Halifax Regional Municipality 2023).

The policies in both documents emphasize that social value procurement is a priority for the city. The procurement manual sets out expectations that all Procurement Project Plans should strive to "maximize social value" (Halifax Regional Municipality 2023, 54). And for anyone wondering why the city emphasizes social value, the procurement manual lists five reasons that answer the question, Why Consider Social Value? These include recognizing the contributions of social enterprise; producing additional value for communities; and explaining that "there is value in 'how' we do things, as well as in 'what' we do and how much it costs" (Halifax Regional Municipality 2023, 55).

Vancouver, BC

The procurement policies in Vancouver enrich the present analysis with a view of social procurement in a large city outside of the Prairies. Vancouver was the first city in our sample to

begin social procurement, having developed its framework in 2015 (City of Vancouver Supply Chain Management 2023). Its Social Value Procurement Framework is reflected in the city's Procurement Policy (City of Vancouver 2022) and the accompanying "Backgrounder, FAQ and Myths" document that explains the social procurement approach (City of Vancouver Supply Chain Management 2023). Our analysis draws upon these documents.

Vancouver's social procurement policies have yielded well-documented social and environmental impacts (City of Vancouver Council Report 2022). For example, the city incentivizes suppliers to offer social impacts through rewards and advantages. The policy states that the Vancouver Group[3] "intends to formally recognize and reward [...] suppliers who demonstrate leadership in sustainability, environmental stewardship, and fair labour practices" (City of Vancouver 2022, 14). In addition, it "will give preference, where feasible, to products and services that represent a non-carbon alternative, are carbon neutral, or that minimize greenhouse gas emissions" (City of Vancouver 2022, 15). The policy also establishes minimum specifications for the benefits that suppliers can achieve. In anticipation that these types of requirements may be of concern to some suppliers, the city provides a frequently asked questions (FAQ) discussion that dispels myths about social value (City of Vancouver Supply Chain Management 2023). The FAQ guides suppliers through the process, affirms the importance of social value to the city's economy, and emphasizes that social value business vendors are not being given special treatment, but simply different tools to compete for bids.

Further, the notion of social value is conceptually integrated throughout the policy and supporting documentation. Indicators of community benefit are found in the procurement policy's definition of sustainability: "meeting the social, environmental, and economic needs of the present without compromising the ability of future generations to meet their needs" (City of Vancouver 2022, 6). The Vancouver policy's definitions of economic, environmental, and social sustainability are identical to those in Saskatoon's procurement policy, pointing to the influence of Vancouver's pioneering effort. Similarly, these elements of sustainability appear in the Vancouver definition of best value, as they do in the Saskatoon definition. Additionally, other value assessments throughout the Vancouver policy echo sustainability and social value, as the city strives to achieve "the maximum economy, efficiency, effectiveness, and sustainability (social, environmental & economic)" (City of Vancouver 2022, 1). Supporting documents declare "we are continuing to enhance our procurement practices with social value to align with City strategies" (City of Vancouver Supply Chain Management 2023, 1).

Our analysis suggests that the policy's only shortcoming is found in its plans to achieve social impact. The FAQ document defines several desirable outcomes of social value procurement, including enhancing community health and well-being and increasing economic opportunities for diverse suppliers (City of Vancouver Supply Chain Management 2023), but the policy itself does not specify the metrics by which these goals are measured, nor does it establish a timeline to meet them. This grants some flexibility to the approach, as contract requirements can be determined on a contract-by-contract basis but involves more work to determine the relationship between specific contract social impacts and overarching city targets. The policy is also limited in the mechanisms envisioned to achieve social impact, as it does not identify community-benefit agreements as tools, nor

does it set aside bids for Indigenous-owned businesses or diverse suppliers. However, while these mechanisms are not laid out in the policy, an internal report found that 43.8 percent of contracts awarded in 2022 went to social/diverse suppliers (Chief Procurement Officer 2023). This suggests that support for the policy may be strong enough to encourage staff to actively pursue social procurement even without these mechanisms.

4. DISCUSSION

Mechanisms for Social Procurement

Social procurement is a fast-growing tool that Canadian cities can use to leverage their procurement power to achieve positive social outcomes and through that impact, generate government savings. The cities examined in this sample approach social value in their procurement policies in a variety of ways. This analysis looked at how city policies strategize, incentivize, conceptualize, prioritize, and mitigate the transitional risks of social procurement. Through this analysis, we identified the following five mechanisms and structures that are used to achieve social impacts.

Social Impact

Integrating social impact as a criterion for bid evaluations incentivizes businesses to consider their effects on the community and contributes to fair evaluations wherein businesses with social impact are recognized and rewarded for their work. While each of the evaluated policies build social procurement into the points system in some way, they vary in terms of their weighting and requirements. For example, while Saskatoon's policy suggests including Indigenous participation on evaluations, it is optional and limited to a maximum of 10 percent weight on the total evaluation (City of Saskatoon Supply Chain Management 2019). In contrast, Winnipeg's policy requires social procurement points be included in all competitive solicitations, with a suggested initial weight of 10 to 15 percent (City of Winnipeg 2022). Halifax does not require social impact points, but the city's policy suggests they be included wherever possible; they are recommended to be weighted between 10 and 30 percent (Halifax Regional Municipality 2023). A high weighting, combined with requirements where appropriate, can maximize the social procurement leveraged by the city.

Set-Aside Bids

By delineating certain bids for Indigenous-owned businesses, diverse suppliers, and/or social enterprises, cities can ensure that such businesses are included in competitions. For example, Winnipeg sets aside contracts for Indigenous businesses and social enterprises (City of Winnipeg 2022), and Halifax requires staff to seek at least one quotation from a diverse supplier when making a low-value purchase or a purchase from invitational processes (Halifax Regional Municipality 2023). This opens the door for businesses with social impact to compete fairly against other businesses, and carves out space for the advancement of social procurement.

Community Benefit Agreements

Community benefit agreements (CBAs) ensure that large-scale construction and infrastructure projects produce social value. CBAs are agreements co-created by the city, construction or-

ganizations, and stakeholders to outline how the development of infrastructure projects can produce social outcomes such as hiring, training, or environmental improvements. Calgary lists CBAs as potential mechanisms for social procurement (City of Calgary Supply Management 2021), and Winnipeg requires them for large-scale infrastructure projects (City of Winnipeg 2022). These legally enforceable agreements ensure that social value is not only relegated to small investments but actively generated through the city's more expensive projects.

Promotion and Education

Introducing social procurement can mean asking city staff and suppliers to participate in new procedures, which some may find intimidating. For a smooth transition and easy adoption of social procurement practices, the policies can be accompanied by training to help participants understand social procurement, why it is valuable, and how it works. Winnipeg and Calgary, for example, offer internal and external training modules (City of Calgary Supply Management 2021) and educational resources (City of Winnipeg 2022) on their websites. Halifax and Vancouver supplement their policies with FAQs that dispel myths about social procurement and tackle any potentially confusing aspects (City of Vancouver Supply Chain Management 2023; Halifax Regional Municipality 2023). These efforts at education make the policy more accessible for staff and suppliers alike.

Precise Targets

Cities can ensure that social impact is achieved by pointing social procurement policies towards clear goals for change in the community. Winnipeg, for example, lists its long-term vision for social procurement alongside several three-year goals, with three actionable objectives for each. These goals identify the specific improvements the city intends to achieve through procurement, such as an increase in hours worked by equity group members and the targeted dollar value of contracts with social enterprises (City of Winnipeg 2022). Establishing these explicit objectives encourages the continued monitoring and reporting of the social impacts tied to procurement, thus positioning social procurement as an active, outcomes-oriented process rather than a one-time advantage on evaluation.

Potential for Purchasing Cost-Saving Outcomes

Although these tools have helped staff and suppliers direct their efforts towards meaningful improvements to their communities, one tool is notably absent: community-driven outcomes purchasing agreements (CDOPAs). A CDOPA is a contracting model wherein governments invest in the savings that an organization produces through community benefit outcomes. The framework recognizes that lower community well-being (issues such as poor health, poverty, high crime rates, and housing insecurity) begets higher government expenses to address the community's needs (healthcare, income assistance, department of justice expenses, and shelters). While third-sector organizations may not generate profit, their economic impact is reflected in the money they save for the government by addressing the needs of their community. The model has been celebrated as an innovative, solution-focused tool to level the playing field for the third sector (Loney 2018).

None of the city policies we examined, however, include CDOPAs as a tool for social procurement. This may be attributed to how the policies frame social value. Policies position procurement that benefits community at the crossroads of socially responsible business practices and good governance, thus grounding the social outcomes in terms of ethics. Although this framing is not inaccurate, it omits the economic savings

attached to social impact. In addition to virtue, social value can be practically expressed in dollars and cents. This measurement of an organization's cost savings to the government can then be utilized in a CDOPA, wherein the government agrees to purchase the cost savings the organization produces through their community work.

CDOPAs present Saskatoon (and other cities) with an opportunity to continue "turning up the dial" on social procurement. The most recent Saskatoon policy documents are from 2018 and 2019, whereas other policies in this sample have been revisited and updated more recently, at least after 2021. As the city moves forward with social procurement, Saskatoon can demonstrate leadership and innovation by framing social value in terms of government savings and by instituting CDOPAs — a mechanism not yet adopted by any of the examined cities. Recent research finds that Saskatoon third-sector organizations are already producing government savings, but these savings are not presently recognized by procurement policies.

The aforementioned report by Pigeon and Yu (2024) provides the example of Build Up Saskatoon, which generated an annual net government savings/revenue of $126,489 through reducing participant rates of contact with the criminal justice system and reliance on social assistance, while increasing their income through meaningful employment in construction paired with ongoing training and supports.

Saskatoon may face challenges navigating the political and cultural factors that influence the development of social procurement policy. Yet, recent efforts to expand the Indigenous Procurement Protocol into a multifaceted strategy indicate that the present social procurement policies are headed towards a more robust framework (Eaton 2023). As local organizations continue helping their communities, social procurement in Saskatoon will grow to capture the economic savings associated with healthier, more resilient communities.

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6. APPENDIX A: TIMELINE ON THE INTEGRATION OF SOCIAL PROCUREMENT IN SASKATOON

Despite a lack of provincial social procurement policies, Saskatoon has taken the initiative to build social value into city policies. The following is a timeline of key milestones on that path.

2015: SaskPower establishes the province's first Indigenous Procurement Standard, based on their 2012 Indigenous Procurement Policy.

2018: What We Heard Report makes recommendation for improving City of Saskatoon Indigenous procurement. City of Saskatoon integrates social value into its general procurement policy.

2019: Indigenous Procurement Protocol

2020: Introduction of the Triple Bottom Line focused on "maximiz[ing] benefits for the community" (City of Saskatoon Council 2020, 1). Pandemic shifts attention from sustainable decision making.

2021-Today: No further changes

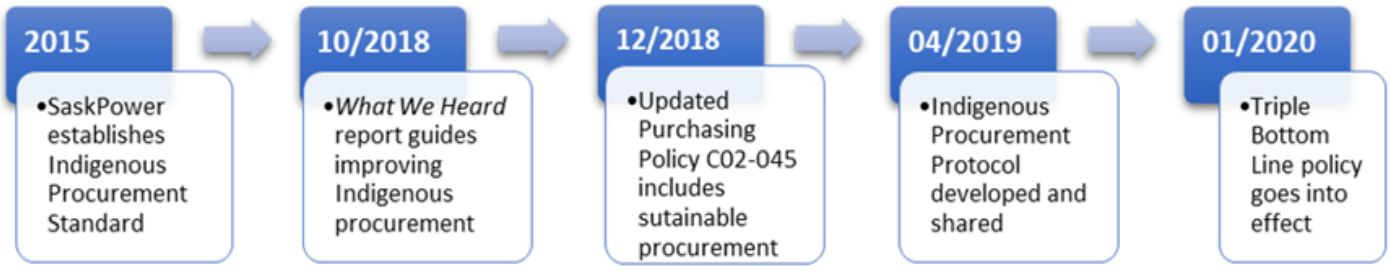

Figure 1. Timeline of Policies Supporting Saskatoon's Social Procurement

CANADIAN CENTRE FOR THE STUDY OF CO-OPERATIVES

About

The Canadian Centre for the Study of Co-operatives (CCSC) is an interdisciplinary research and teaching centre located on the University of Saskatchewan campus. Established in 1984, the CCSC is supported financially by major co-operatives and credit unions from across Canada and the University of Saskatchewan. Our goal is to provide practitioners and policymakers with information and conceptual tools to understand co-operatives and to develop them as solutions to the complex challenges facing communities worldwide.

We are formally affiliated with the Johnson Shoyama Graduate School of Public Policy at the University of Saskatchewan and the University of Regina. The connection strengthens the capacity of everyone involved to develop research and new course offerings dedicated to solving social and economic problems. Our most recent collaborative work has resulted in a new Graduate Certificate in the Social Economy, Co-operatives, and Nonprofit Sector.

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The CCSC and the University of Saskatchewan acknowledge with gratitude the support and commitment of the Centre's funders.

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