

# Frequently Asked Questions regarding Social Procurement at HRM

## Background

In early 2020, Halifax Regional Council approved the municipality's Social Value Framework, which sets general guidelines that support social value in all municipal operations. In July 2020 Council subsequently approved Administrative Order 2020-004-ADM, The Procurement Administrative Order ("the Procurement Policy") <https://www.halifax.ca/media/70263>.

The goal of social procurement is to enhance community health and well-being by advancing reconciliation, inclusion, equity and diversity; increase economic opportunities by expanding participation of diverse and social value businesses in the municipality's supply chain; improve economic independence and capacity by increasing employment and training opportunities for underemployed, unemployed, under-represented equity seeking populations; support community considerations in the supply chain and encourage environmental sustainability.

Although the policy requirements took effect on July 7, 2020 and currently apply to procurement activities taking place after the approval date, on September 30, 2020 Halifax Regional Council approved a "Supplier Code of Conduct and a Social Value Framework," which take effect on April 1, 2021. The code of conduct and the framework describe in detail the municipality's expectations of suppliers and staff in support of the Social Value Procurement goals.

## Frequently asked questions

*\*Please note that this document will be updated as more question filter in on the topic*

### When does the social procurement policy take effect?

- The social procurement policy took effect as of July 7, 2020, the day that Administrative Order 2020-004-ADM was approved. A formal framework was approved by Halifax Regional Council on September 30, 2020. Although the approved formal framework is effective on April 1, 2021, the requirement to consider social value was effective upon approval of the Administrative Order (July 7, 2020)

### Will submissions be required to include social procurement before April 1, 2021?

- Staff are required to consider and include where appropriate to the scope of work any social value considerations that may be available within municipal procurement as of July 7, 2020.

### What projects must include a social procurement component?

- The inclusion of social value considerations is mandatory for projects valued at above \$1,250,000 after April 1, 2021

### What is considered a "fair/living wage?"

- The living wage is as defined by the Canadian Council for Policy Alternatives and Living Wage Canada. <http://livingwagecanada.ca/index.php/living-wage-communities/nova-scotia/>

### Define community benefits.

- Community benefit is a term often used in the development community to describe the actions that can or will be taken as part of a development project to provide benefit to the community in which the development occurs. While a specific procurement activity may have benefits to a community of interest in relation to workforce development, engagement, and outcomes, procurement seeks a robust social value approach in its activities.

### Define environmental benefits.

- Environmental benefits may include: Reducing the emissions of greenhouse gases; reducing the emissions of hazardous chemicals; avoiding over-consumption of resources and limiting the volume of waste; stopping depletion of the ozone layer; safeguarding biodiversity. Through responsible public procurement the municipality seeks to realize some of these benefits via appropriate specifications, recognizing environmental

certification organizations such as LEED, EPEAT and FSC/Ecoloco/etc., and other environmentally friendly opportunities throughout the lifecycle of its purchases.

### **What is “socially responsible production?”**

- Socially responsible production is the appropriate management of the social, environmental and economic effects of production in a responsible fashion and in line with public expectations throughout the manufacturing life cycle. In general terms social responsibility is part of a company’s approach to corporate governance and often touches every part of the business—operations, human resources, manufacturing, supply chain, health and safety, and more.

### **What would be considered normal health and safety practices? What does it mean to have “advanced” health and safety practices?**

- Normal health and safety practices meet the minimum legislated workplace health and safety requirements in the bidder’s jurisdiction. Advanced practices are those practices that exceed those requirements. This could include things like offering non-mandatory safety training, offering mental health seminars and/or counselling, having a non-legislated health and safety committee, provision of an Employee and Family Assistance program, paying or co-paying for non-legislated health benefits and group life insurance.

### **What qualifies a supplier as “diverse?”**

- A diverse supplier may be certified by a third party as being “diverse”. Such third parties in Canada include organizations such as: the Canadian Aboriginal and Minority Supplier Council (CAMSC), Canadian Council for Aboriginal Business; (CCAB), Canadian Gay & Lesbian Chamber of Commerce (CGLCC); and WBE Canada. The municipality may also include female-owned businesses, African Nova Scotia owned businesses, First Nations owned businesses and other considerations when applying its diversity lens.

### **Will diverse suppliers be given preferential treatment during the bidding process?**

- The policy requires that staff provide diverse suppliers with the opportunity to bid by providing increased accessibility to the bidding process. The municipality’s goal is to provide equal opportunity to all vendors and does not provide preferential treatment to any suppliers. All bidders and proponents must meet the specifications of a solicitation and provide competitive pricing and value.

### **Are any projects exempt from including a social procurement component?**

- Not all projects will include a social value component. Social value will be included where appropriate to the project and the scope of work. If social value considerations are not included in a solicitation either as a mandatory or evaluable requirement, then the submissions do not need to include it. It is municipal staff’s responsibility to consider and include social value requirements in a manner that reflects the opportunities and constraints on the project.

### **Are submissions that include a social procurement component more likely to be selected?**

- In tender and quotation processes, any social value considerations if required will be mandatory. In Request for Proposals (RFPs), non-mandatory social value considerations where included will be evaluated and be included as one component of the proposal evaluation process.

### **Does social procurement supersede price during the evaluation process or must the municipality still select the lowest bid?**

- The Procurement Policy <https://www.halifax.ca/media/70263> requires staff to recommend the best value bid or proposal for award. Best value is the best combination of total cost of ownership including quality, economic sustainability, environmental sustainability and social sustainability. All of these factors play a role in the selection process, and not just price alone.

### **If social procurement is required for a submission and a submission does not include a social procurement component, is it automatically disqualified?**

- If social value considerations are stated as a mandatory requirement in any solicitation, any bid which does not meet the mandatory requirements will not be considered.

### **What if there is only one submission and it does not include a social procurement component? Would it be considered?**

- Any bid which does not meet the mandatory requirements of the specific solicitation will not be considered.

### **What types of contracts are subject to the living wage component of Social Value Procurement?**

- The types of contracts affected include, but are not limited to, municipal operational “outsourced” contracts such as janitorial services, security services, grass and lawn care services and garbage collection, including option year.

### **Adding a social procurement component to an RFP will likely increase the cost for suppliers. Is the municipality concerned this will be a deterrent or have a negative economic impact?**

- The municipality strives to obtain best value in its procurement activities. Best value for taxpayer dollars, including social value, is an investment in our communities and economy. It increases economic opportunities and independence that support full participation while advancing reconciliation, equity, inclusion diversity and well-being in our community. The multiplier effects of economic participation in the community can outweigh any perceived financial impact to the municipality and in practice has been shown to result in overall savings across focus areas therefore allowing the municipality to assign resources to areas of need.

### **Can “workforce development” include the integration of any social program, or is there a specific standard/threshold that needs to be met in order to qualify?**

- Where workforce development is a requirement of any procurement project, the requirements will be as clear as the municipality is able to convey. Workforce development may include: employment of equity-seeking groups or businesses, recognition of historically underutilized business zones, training and apprenticeships.

### **Must a specific dollar amount/percentage of the submission be allocated to social procurement?**

- In all procurement activity, bidders and proponents are expected to consider the entire scope of work, which may include social value considerations in the preparation of their bid.

### **What types of contracts or services would be exempt from a living wage?**

- Services that are ad-hoc or non-routine in nature. i.e. maintenance and repair
- Services that are not performed on a regular basis and do not exceed 120 hours of continuous service per year
- Social enterprises, not for profits and charitable organizations
- Part-time seasonal work
- Volunteers and students/interns and practicum placements
- Construction work/services

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