



# Social Impact Purchasing Guidelines

Ministry of Social Development and  
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### Why use Social Impact Purchasing?

In government, we spend billions of dollars each year purchasing or contracting for goods and services to better serve the people of British Columbia. The Core Policy and Procedures Manual, which is developed and maintained by the Ministry of Finance, provides the framework for our purchasing decisions, including the guiding principles of “fair and open public sector procurement (competition, demand aggregation, value for money, transparency and accountability) and a number of specific procurement objectives (see [Appendix 1](#)).

The principles, objectives, policies and procedures outlined in the Manual are designed to make sure government gets the best value possible for the money it spends, and that vendors and service providers have fair and equal access to the financial and economic benefits created by government procurement.

However, purchasing has a range of impacts beyond simply generating revenue for government suppliers, and you’re probably used to thinking about them when you make your own purchases. Perhaps you buy groceries from a local farmer because you want healthier food and you want to support local growers. You may choose local businesses, so the dollars you spend stay in your community. Or maybe you buy goods or services from a local social enterprise<sup>1</sup> – a business that directs its revenue toward a social purpose, like hiring people with disabilities or helping new immigrants settle in BC.

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<sup>1</sup> See [Appendix 2](#) for definitions of the terms used in this document.

### What is Social Impact Purchasing?



Social Impact Purchasing is a process through which organizations consider not only value for money, but also social and environmental impacts when purchasing goods and services.

For example, The City of Vancouver, BC Hydro and Tourism BC all contract with [Starworks](#) Packaging and Assembly. Starworks, a social enterprise, employs people with developmental disabilities.

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Social impact purchasing applies a similar decision-making process at an organizational level. For government, it means considering the broader impact of our purchasing decisions and, more specifically, ensuring those decisions help us to achieve our ministry's goals and objectives.

### Why is government interested in SIP?

As described above, Social Impact Purchasing (SIP) may be a new term, but it is not a new concept. What is relatively new, however, is that SIP is increasingly being used not just by individuals, but by organizations that wish to increase the impact of the money they spend.

The Starworks example on page 1 is just one way that provincial government agencies are using SIP, and we already have guidelines that address specific types of social impact procurement. For example, the [Guidelines for Procurement of Environmentally Responsible Products and Services](#) were developed to encourage public service employees to consider environmental practices and impact when procuring goods and services, and the [Aboriginal Procurement and Contract Management Guidelines](#) were created to support the delivery of culturally-appropriate programs and services to Aboriginal peoples and communities.

Procurement has also been used to support specific sectors of BC's economy. For example, BC's *Wood First Act* requires wood to be considered as the primary building material in all new publicly-funded buildings. The legislation generates demand for wood products, promotes climate-friendly construction and supports forest-dependent communities. And in 2014, the Province committed to increasing procurement through small business by 20 percent, to help BC's small business sector continue to grow and thrive.

Government's existing guidelines, the *Wood First Act* and the commitment to increase procurement through small business illustrate how procurement, just like other ministry projects and programs, can be aligned with the vision, mission and goals of the organization.

In 2006, the Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games created the Buy Smart Program, which integrated social, economic and environmental sustainability principles and practices into procurement activities related to the Games.

The program's activities ranged from ensuring compostable service-ware and non-toxic cleaning supplies were used in the athlete's village to negotiating community benefit agreements with major developers (e.g., for the development of the Southeast False Creek lands).

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In fact, that alignment is critical to a successful social impact procurement initiative. The BC economy and citizens benefit from these policies and commitments.

These new guidelines, which support social impact in its broadest sense, also align our ministry's procurement activities to the vision, mission and goals of the Ministry of Social Development and Social Innovation (SDSI). They represent the next step in the evolution of BC's approach to social impact purchasing – shifting our focus from sector-specific activities to consideration of a broader range of potential social impacts.

### Why do we need these guidelines?

As we noted above, government already has a legislative and policy framework that enables social impact procurement, and even has guidelines aimed at specific aspects of SIP. Before we explain why the new SIP guidelines are necessary, it's important to note that they do not replace or supplant our existing policy, procedures or guidelines; they simply provide clarity with respect to how SDSI will consider social value when we are procuring goods and services.

The story of these guidelines begins in January 2011 when the Premier established the BC Social Innovation Council. The Council, which was comprised of representatives from government, business, and not-for-profit organizations, was tasked with making recommendations that would improve the three sectors' ability to collaboratively address our most complex social problems. In March 2012 the Council released its [Action Plan Recommendations to Maximize Social Innovation in British Columbia](#), which included a recommendation that "Governments, businesses and non-profits should implement social procurement requirements within their purchasing systems to strengthen social innovation and social enterprise."

In response to the Action Plan recommendation, the ministry began to work with the successor body to the Council, the [BC Partners for Social Impact](#), and our colleagues in other ministries to explore SIP and its potential for use within government.

The Prince George Native Friendship Centre Society operates Smokehouse Catering, which can provide food and beverages for everything from small meetings to large conferences. The revenue supports employment training, with a focus on the hospitality industry.

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Then, in March 2014, the Province released the [Doing Business with Government Project Report](#), which recommended that government “explore ways to further achieve ministry mandates and objectives through government’s purchasing decisions.” In particular, the report recommended “Encouraging ministries that have a specific mandate, such as the ministry responsible for social innovation, to take a leadership role to encourage purchasing that meets their objective will help government achieve social and other important objectives.”

After the release of the report, SDSI committed to implementing ministry guidelines for SIP, in part to demonstrate to other government ministries and agencies that it can (and should) be done.

### How will the guidelines help me?

If you are responsible for procurement, these guidelines will help you to:

- understand social impact procurement;
- identify potential suppliers in your community; and,
- develop a procurement process that assesses both financial and social value.

The Vancouver Whitecaps contracts with [Common Thread](#) for soccer ball bags. Common Thread provides skills training for immigrant women.

### Goal

The goal of the ministry’s approach to social impact purchasing is simple: to ensure our procurement activities support the overall goals and objectives of the ministry.

This means making purchasing decisions that support:

- increased independence and sustainable employment for those in need,
- meaningful independence and community inclusion for British Columbians with disabilities, and
- a culture of social innovation across the province.

### Policy Considerations

As we noted above, government procurement is based on the principles of fair and open public sector procurement: competition, demand aggregation, value for money, transparency



and accountability. All of these principles apply to social impact purchasing, of course, but in the context of SIP, the principle of value for money is of particular interest.

While government does not define “value for money” as a requirement to select the lowest-cost provider, it is often interpreted that way by people who are making purchasing decisions. Similarly, our responsibility to be good stewards of taxpayers’ dollars is often misunderstood as an obligation to spend the least amount of money, regardless of other considerations. “Value for money” should be determined, and evaluated, based on multiple factors in addition to cost, and these factors must be clearly stated to prospective suppliers during the procurement process.

However, social impact purchasing does not mean choosing the most socially conscious supplier, regardless of cost. SIP is about considering social value as well as financial value when you are evaluating supplier options. Beginning on the next page, these guidelines will provide you with information about *how* this can be done.

Our use of social impact procurement must comply not only with government’s Core Policy, but with BC’s obligations under the [Agreement on Internal Trade](#) and the [New West Partnership Trade Agreement](#).

### ***How to Make a Social Impact Purchase***

To make a social impact purchase, you need to follow 4 basic steps:

1. Understand your social value requirements
2. Confirm your procurement process
3. Identify the type of SIP that meets your needs
4. Complete your procurement process and make your purchase.

### **Understanding Your Social Value Requirements**

The first step in using SIP is to determine the kind of social value you would like to promote/create with your purchase. To do that, you need to consider the ministry’s [goals](#).

There are social enterprises (for-profit and not-for-profit) and socially conscious businesses that focus on everything from building homes in developing countries to fair trade to employment. If you were to consider all of them, it would make your procurement process very complicated. The ministry’s use of SIP, however, is focused on achieving some very

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specific things, and that reduces your choices considerably. If you align your social value requirements with your division's goals and objectives as well, it will further narrow your options and reduce the complexity of your procurement process.

Below are a few examples of how purchasing goods or services from social enterprises and other socially conscious businesses can support our goals.

- **Increased independence and sustainable employment for those in need** – More and more organizations are implementing living wage policies to ensure their employees are earning enough money to meet their basic needs. Purchasing from these organizations supports the financial independence of those employees and, more generally, the practice of paying a living wage.
- **Meaningful independence and community inclusion for British Columbians with disabilities** – Many social enterprises provide employment services (work experience and on-the-job training), and target those services to people with disabilities or mental health/addiction challenges. In fact, social enterprises have proven to be quite successful in creating long-term attachment to the labour force. Purchasing from those organizations supports their work to increase employment, independence and inclusion for people with disabilities.
- **A culture of social innovation across the province** – Purchasing goods and/or services through a social enterprise will strengthen those organizations and, more broadly, support the growth and sustainability of the social enterprise sector. In addition, the ministry's use of SIP will encourage suppliers to look for new ways to increase their social value and improve their ability to compete for ministry procurement opportunities. Ultimately, SIP will help us to drive innovation and create better social outcomes for all British Columbians.

Vancity Credit Union purchases catering from Potluck Café and Catering in Vancouver, an award-winning social enterprise that creates jobs and provides healthy food for people living in the Downtown Eastside.

### Confirming Your Procurement Process

In government, the procurement process you are required to use depends on whether you are purchasing goods or services, and how much those goods or services cost. It is very important





that you refer to SDSI's [Procurement and Contract Management site](#) to determine your options and ensure the process you decide to follow complies with government policy.

### Determining Your Approach to SIP

There are a number of ways in which SIP can be applied, depending on the organization and the nature of the procurement activity. For SDSI, there are two basic types of social impact procurement:

1. Purchasing goods or services from a social enterprise or socially conscious business
2. Incorporating social value in a solicitation document

#### *Purchasing from a Social Enterprise/Socially Conscious Business*

Purchasing from a social enterprise or socially conscious business is the simplest form of SIP. If, according to government policy, your purchase can be made through 1) a direct award without solicitation or 2) three verbal or written bids, you should consider purchasing from a social enterprise (for-profit or not-for-profit) or socially conscious business that is aligned with the ministry's goals and objectives.

Procurement Process	Description	SIP Application
<b>Direct Award (without solicitation)</b>	Choosing a supplier without a competitive process	Use a social enterprise supplier (if available)
<b>Three Verbal or Written Bids</b>	Obtaining three quotes from potential suppliers	Include at least one social enterprise in your request for quotes (if available)

If you are choosing a supplier through the three-quotes process, remember that you will need to make sure the three suppliers understand how they are being evaluated – that is, you must tell them that social value, in addition to price, will be considered, and how social value will be assessed.

In the next section, you'll find information about how on how to find and evaluate suppliers.

#### *How to Find Social Enterprise Suppliers*

First, let's clarify what we mean when we say "social enterprise." Social enterprises are organizations, either for-profit or not-for-profit, that direct the money they make toward a social purpose. While there is no legal definition of the term, social enterprise is generally considered to fall between a traditional business and a traditional not-for-profit organization.



Social enterprises generate revenue, and may even pay dividends to shareholders, but the percentage of profit directed toward their social mission is more significant than in a traditional business. *Please note: when you are using a formal solicitation document, you must clearly define the social value that you are seeking and be able to evaluate proponents against that criteria.*

Not-for-profit social enterprises (often referred to as enterprising non-profits), including Societies and Registered Charities are social enterprises, too, if they sell goods and/or services to support the delivery of their programs and services. Many not-for-profit social enterprises, such as the Salvation Army Thrift Stores, have been around for many years; other models, such as those that provide employment training, have more recently begun to emerge.

For-profit social enterprises, which are sometimes called social ventures, are becoming more and more common. They take many forms, including traditional Companies, Partnerships or Sole Proprietorships, but there are two structures that are easily identifiable as social enterprises:

- Community Contribution Companies (C3s) are subject to regulation that ensures the majority of their profits will always be directed toward a community purpose; and
- Cooperatives, particularly Community Service Cooperatives, provide a benefit to their members and/or to the broader community.

You may know about the social enterprises in your community, but if you don't, here are some resources to help you:

- Social Enterprise Canada's [Marketplace](#) showcases hundreds of social enterprises across the country. It allows you to search by community, by social purpose, and by industry to find potential suppliers near you.

### Why Can't I Find Any Social Enterprises?



Some organizations don't use the term "social enterprise," even if that's what they are. The most common reasons for that are:

- it's a new term, and they aren't familiar with it;
- they're a for-profit company, and they're worried that potential customers will think they are more expensive or provide lower quality service; or
- they're a not-for-profit that is reluctant to identify as any form of "business."

Whatever the reason, avoid confusion – and missed opportunities – by providing a definition, and even a few examples, when you're talking to potential suppliers.

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- [Hubcapbc.ca](http://Hubcapbc.ca) is the website of the BC Partners for Social Impact, which launched in September 2014. The BCPSI, supported by ministry staff, is working to encourage social entrepreneurs and social enterprises across the province to add their information to the site. (If you know of a social enterprise that isn't listed, please [email us!](#))

These lists are not comprehensive, however, so they may not be able to point you in the right direction. In that case, we recommend that you host a community meeting and invite local suppliers – both social enterprises and socially conscious businesses (see below) – to share information about the goods and services they sell. In turn, you can provide them with information about the types of purchases the ministry is likely to make and the social outcome(s) we are trying to achieve. Entering into this kind of dialogue at the outset will ensure you understand the market and your suppliers understand your needs, which will make future procurement processes much more efficient.

### *How to Find a Socially Conscious Business*

While social enterprises are perhaps easier to identify than socially conscious businesses, it's important to remember that SIP is about social impact and social value, and many traditional businesses create benefits for the community that are aligned to the ministry's goals and objectives. Some businesses may have inclusive hiring practices; others may have a living wage policy or support a school lunch program. These kinds of activities, some which are often described as corporate social responsibility programs, create social value and can make a significant contribution to the lives of the people our ministry serves.

Many businesses profile their social impact activities (often referred to as Corporate Social Responsibility Programs) as part of their marketing strategy. However, you may have to dig a little deeper to determine to what degree those activities align with your social value requirements. In [Appendix 4](#) of this document, you'll find a list of questions that you can ask to better understand and assess a business' social value. As business is competitive by nature, you may find that simply asking the questions prompts local businesses to look for new ways to increase their social impact.



### 1. Incorporating Social Value in a Solicitation Document

If you are developing a solicitation document, (see the ministry's [Procurement and Contract Management site](#) for more information), there are two things to consider: 1) the structure of the solicitation document, and 2) the proposal evaluation criteria.

#### *Structure*

As we noted above, the majority of social enterprises are small businesses, and they may not have the capacity to deliver larger orders or large-scale, complex services. However, government's large suppliers often subcontract with other businesses to deliver specific elements of the contract requirements. This gives government the opportunity to, through its procurement activities, encourage large suppliers to offer sub-contracting opportunities that are accessible to smaller businesses, an approach that was recommended by the [Doing Business with Government Project](#).

If you are developing a solicitation document that is aimed at larger suppliers, consider asking proponents to describe, in their response, how they will ensure their sub-contracting opportunities are accessible to social enterprises and, more generally, will generate a positive social impact.

#### *Criteria*

Social value can be included in your evaluation criteria regardless of the size and complexity of your solicitation document (i.e., RFP), and whether or not your suppliers are social enterprises or traditional businesses (see [Evaluating Non-Social Enterprise Suppliers](#) above). The criteria you choose, however, will vary, depending on your focus and the capacity of the supplier/service provider community. A few examples of criteria are included in the "Frequently Asked Questions" section of this document.

The new short-form Request for Proposals (SFRP) also makes it easier for small businesses, including social enterprises, to apply and compete for procurement opportunities. The SFRP, which was developed in consultation with vendors and staff, must be used for all purchases with a value of less than \$250,000.

More information about the SFRP, including templates and other resources, is available [online](#).

Through government's agreement with Telus, the Cellular Highway Expansion Project supports small businesses by using local contractors in the building of cellular infrastructure.

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### Area of Focus

Narrowing your focus to a more specific social outcome (in the context of the ministry's and/or your business unit's goals) will simplify both the development of your solicitation document and the evaluation of the responses you receive. You may wish to focus on a particular challenge in your community, or, if you will be awarding a contract for the delivery of services, an issue that has a significant impact on the clients of those services. For example, you may choose to incorporate a point structure that prioritizes service providers who have inclusive hiring practices, or those that direct a percentage of their revenue to programs that serve low-income individuals or families. It will be critical that you are able to fairly and objectively evaluate the submissions regarding the social value, and include a requirement for the organization to report out to ensure that false claims can be avoided.

Depending on the scope of your procurement activity and your understanding of the market, you may wish to take a more general approach – asking potential suppliers to tell you how their organization and, more specifically, their delivery of the good or service, will benefit the community (or a specific target group benefitting British Columbia and its citizens). This can allow potential suppliers to be more innovative in their approach to social impact – for example, to establish partnerships with social enterprises or include socially conscious businesses in their supply chain. If you choose this option, however, you will have to carefully consider – and of course communicate – how you will evaluate the broad range of responses you are likely to receive.

### Points Structure

With any competitive/solicitation process, you must clearly describe how the proposals/bids will be evaluated. This holds true whether you are asking for quotes (in a three-quote process) or developing more formal solicitation documents.

Many times, the qualifications and needs of the contractor are easily laid out, and you can include additional criteria outlining the social value (generally) that you are looking for. It is recommended that you do not award more than 10-15% of the total points to the social value component; this will ensure that quality, qualifications and price still hold the highest priority when contracting.

### Supplier/Service Provider Capacity

Since there is no point in asking for things that the market can't provide, you need to know what your potential suppliers and service providers can deliver. It is a good idea to engage them in advance of any procurement activity, as this will save you time and effort during the



development of your RFP and your evaluation of their responses. Don't just ask them for information – give them information, too, about the ministry's goals and the kind of social value you are interested in. This will not only help to address any concerns they may have, it will give them time to look for ways to increase their social impact and their ability to compete for ministry contracts.

Government commonly uses a Request for Information (RFI) or a Request for Expressions of Interest (RFEI) to gather information on the availability of desired services, the availability of potential suppliers, or the level of interest from the vendor community before going to the marketplace with a more formal request for bids, quotes, or RFP. The purpose of these activities is to obtain the information needed to assess whether a competitive process will be necessary, or appropriate, and to provide the information needed to define the requirements before moving into the competitive phase.

- A Request for Information (RFI) is generally used to obtain specific information about a product, service, or process, as well as the availability and performance of the good or service.
- A Request for Expressions of Interest (RFEI) is normally used when ministries know that a good or service is available but are not sure if the vendor community is available to compete on the opportunity or whether the community is even interested in providing the good or service.

### **Monitoring and Measurement**

The Ministry of Social Development and Social Innovation (SDSI) will be the first ministry to implement this approach to Social Impact Purchasing. Monitoring the performance of the contracts that include social value will be essential, as it will demonstrate to other government ministries/agencies the feasibility and effectiveness of this practice. Tracking the number of contracts that are awarded to social enterprises or social purpose businesses will be important, too, as it will allow us to report on how the ministry is using procurement to create social impact and achieve our goals and objectives.

If you are a contract manager in SDSI, you will be required to report, on a quarterly basis, how you have applied social impact purchasing principles and practices to the contracts you are managing. You will also be asked to complete a short survey, which will give you the opportunity to provide feedback on these guidelines, and to tell us about any barriers you have encountered while using them.

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We expect that the guidelines, like all social innovations, will evolve as we “learn by doing,” and your input is a critical part of that process. We encourage you to help us learn by giving us feedback - not just when you receive the survey, but at any time. You can send your thoughts, comments and suggestions in an email to [Innovative@gov.bc.ca](mailto:Innovative@gov.bc.ca), or you can ask that a member of our team contact you to discuss your feedback.



## Appendix 1: Policy Objectives

The following is an excerpt from [Chapter 6](#) of the Core Policy and Procedures Manual:

### **PART I: Procurement**

#### **6.1 Objectives**

The following objectives for government procurement of goods, services and construction are based on the principles of fair and open public sector procurement: competition, demand aggregation, value for money, transparency and accountability.

- acquisitions are managed consistent with government policy and requirements of trade agreements
- government receives the best value for money spent on contracts
- vendors have fair access to information on procurement opportunities, processes and results
- acquisition and disposal opportunities are competed, wherever practical
- ministries only engage in a competitive process with the full intent to award a contract at the end of that process
- ministries are accountable for the results of their procurement decisions and the appropriateness of the processes followed
- government buying power is leveraged through corporate supply arrangements (CSAs) and demand aggregation, wherever practical
- the cost of the procurement process, to both vendors and ministries, is appropriate in relation to the value and complexity of each procurement
- assets that are surplus to the needs of government are disposed of in a coordinated way to maximize the dollar return to government, and to minimize the risk to the environment





## Appendix 2: Glossary

The definitions below are specific to the terms that are used in this document. A more comprehensive glossary of terms that are associated with social innovation is available at on [Hubcap](#), BC's online social innovation hub.

**Cooperatives**, or cooperative associations, are one of the oldest forms of social enterprise (see below). They are owned and democratically controlled by their members, and they pursue a stated purpose. That purpose can be related to the common interests of the cooperative's members or a broader community benefit.

A **Community Contribution Company (C3)** is a new type of corporation that combines socially beneficial purposes with a restricted ability to distribute profits to shareholders. C3s are incorporated under legislation that caps dividends on company shares, ensuring profits are either retained by the company or directed toward the company's stated community purpose.

A **community service cooperative (CSC)** is a cooperative association whose purpose is charitable, or is to provide health, social, educational or other community services. This purpose is included in the CSC's Memorandum of Association and can only be changed through a special resolution, voted on by CSC members.

**Enterprising non-profit** is a term that is sometimes applied to not-for-profit social enterprises. It reflects the fact that these organizations generally begin as not-for-profit organizations and undertake revenue-generating or "enterprising" activities to support their social programs and services.

A **registered charity** is an organization that is established and operated for charitable purposes, and that must devote its resources to charitable activities. Charities have to meet a public benefit test, which includes demonstrating that they provide a benefit to either the public as a whole, or a significant segment of it.

**Social enterprises** are businesses (not-for-profit and for-profit) driven by a social or environmental purpose. As with any business, a social enterprise delivers goods and/or services to customers in the marketplace. However, social enterprises differ from most traditional businesses in that their profits are not just used to ensure their financial

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viability, but are re-invested in the business and/or the community to achieve, sustain and further the organization's social or environmental purpose.

**Social impact purchasing (SIP)** is a process through which organizations consider not only value for money, but also social and environmental impacts when purchasing goods and services.

**Social innovation** is a term that is hard to define, but it generally refers to new ways of addressing complex, persistent social problems like homelessness, poverty and addiction. Social innovation is more than program or service improvement; it fundamentally changes the way we think about and understand problems, and the way we work together to develop solutions. For more information about social innovation, including examples of social innovation in BC, visit [www.hubcapbc.ca](http://www.hubcapbc.ca).

**Social venture** is a term that is sometimes used to describe for-profit social enterprises.



## Appendix 3: Frequently Asked Questions

If you have a question that isn't answered in this section, or anywhere in the document, please email it to [Innovative@gov.bc.ca](mailto:Innovative@gov.bc.ca).

### **Do I have to use SIP?**

Neither legislation nor policy explicitly states a requirement to use SIP; however, the Ministry of Social Development and Social Innovation has made the decision to support and promote SIP whenever possible. SIP allows you to increase the impact of the money you spend on the lives of people in need, including the people our ministry serves.

### **Do the SIP Guidelines replace existing government and ministry legislation, policies, and procedures?**

No. This document complements existing government/ministry legislation, policies, procedures and processes – it doesn't replace them. In fact, we didn't need to change the rules at all to use SIP; we just need to make sure people know that they can consider social value in addition to financial value, and have the information they need to do it successfully.

### **Doesn't this just add time and effort to our procurement activities?**

It's true that you may have to do some extra work to identify the social enterprise suppliers in your community, and we recognize that's not always easy when time and budgets are tight. Remember that you're trying to find the best solution given all of the factors involved, so you should be considering the time it will take when you're designing your procurement process.

However, this extra work should only be required in the beginning; once you know who the social enterprises are, your purchases should be as efficient as they were before. And they'll be more effective, because not only will you be obtaining the goods and services you need, you'll be having a positive impact on the people in your community.

We know that we need better resources to support SIP, and we're working with our partners to develop them (see [How to Identify Social Enterprise Suppliers](#) for current resources). As new information and tools become available, we'll update the guidelines to include them.

### **SIP seems to give preferential treatment to social enterprises. Is that fair to traditional businesses?**



We talk a lot about social enterprises in this document and the ministry is interested in supporting the social enterprise sector, but SIP supports any organization that generates a positive social impact that is aligned with the ministry's vision, mission and goals. The organizational structure doesn't matter – they can be a charity, a not-for-profit organization, a social enterprise, a Community Contribution Company, or a traditional for-profit business. In fact, SIP provides traditional for-profits with an opportunity to showcase the good work they are already doing in their communities and, if they are successful in the competition process, to be recognized and rewarded for that work.

### **How do I know whether a business is a genuine social enterprise?**

At the moment, there is no legal definition of “social enterprise,” and no independent certification for organizations that describe themselves that way. The best you can do is to ask good questions, and use your judgement and common sense when evaluating the answers.

Remember, too, that registered charities and Community Contribution Companies are by definition social enterprises, and you can ask these organizations to provide proof of their legal status.

### **What if I find a social enterprise that's a little bit more expensive – can I purchase from them anyway?**

The answer to this question can be summed up as “Yes, but...” The concept of “value for money” encompasses more than just financial value, so paying a higher price doesn't necessarily mean you aren't getting good value. However, social value should not come at a significantly higher price, and of course, all purchasing decisions should respect government's financial legislation, regulations and policies, as well as our budget constraints.

The purpose of these guidelines isn't to suggest that social value trumps all other considerations, but to ensure that when we do purchase goods and services, we receive the greatest possible financial and social value for the money we spend.

Again, it is essential that your potential suppliers understand, before they submit a bid or quote, that they will be evaluated based on the social value they create, and how that value will be assessed.



### **How will we know if SIP is working?**

We're not going to try to evaluate the actual impact of SIP – that would take more resources than we currently have. We can assume, however, that if a purchase generates revenue for a social enterprise, that purchase will support the enterprise's social mission. For example, if we purchase from a social enterprise that provides on-the-job training for people with disabilities, then it is reasonably safe to assume there will be a positive impact, even if it is small, on increasing employment for that population.

Our measurement activities will, therefore, be limited to tracking and reporting on how, and how often, the ministry is using SIP. For more information on how this will be done, see the [Monitoring and Measurement](#) section.

### **Can we really make a difference by changing the way we buy goods and services?**

The simple answer is yes. There are many examples throughout history of consumers influencing change by changing what they buy, and who they buy it from. Think about the impact that awareness-raising campaigns have had on the local/organic food movement, or on companies that were producing goods in factories that employ children. Consumer boycotts have led to more environmentally sustainable business practices, better working conditions, and even the removal of entire countries from company supply chains (due to human rights abuses).

SIP is essentially the same thing, but with a different focus. Instead of using our purchasing power to avoid negative impacts, we'll be using it to drive change, stimulate innovation, achieve the ministry's goals and improve social outcomes for British Columbians.



## Appendix 4: Evaluating Social Value

The following questions can be asked of any supplier, but they may be particularly useful if you have been unable to find a social enterprise and wish to evaluate the social impact of a traditional business. The list below is not comprehensive, and not all questions will be appropriate to all purchases; instead, the list is intended to give you some ideas to get you started.

1. Is your company privately owned? A Co-operative? A Not-for-profit? A Community Contribution Company? A social enterprise? (Note: we do not provide preference to a type of company structure, but the structure may lend itself to more or less social value)
2. Does your employee profile include people with disabilities or other barriers to employment (be specific)? If so, what percentage?
3. Does your company provide job skills training and/or employment opportunities for people with disabilities or other barriers to employment? If so, please describe these activities.
4. What type of benefits do you provide to your employees?
5. Does your company have a social impact purchasing policy?
6. Does your company purchase goods and/or services through social enterprises through longer-term, contractual arrangements (such as janitorial services, catering, office supplies, etc.)? If yes, please provide examples.
7. Does your company provide financial support to British Columbia charities or not-for-profit organizations (if not, charities outside of BC)? If yes, please provide an estimate of the annual amount.
8. Does your company provide in-kind donations to British Columbia charities and/or not-for-profit organizations (e.g., volunteer support)? If yes, please describe these activities.
9. Are there any other ways, aside from the general provision of goods and services, in which your company creates benefit to the community and its residents? If so, please describe those activities.