Agenda – Executive Policy Committee – July 13, 2022

REPORTS

Item No. 1 Introduction of a Sustainable Procurement Action Plan

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That the Sustainable Procurement Action plan, attached in Appendix 1, be approved for implementation.

2. That the Corporate Finance Department be directed to prepare an annual Departmental submission to the 2023 Multi-Year Budget Process to support implementation of the Sustainable Procurement Action Plan.

3. That the following position and required estimated annual salary and benefits, increasing annually in accordance with the Collective Agreement, be referred to the 2023 Operating Budget:

    A. Sustainable Procurement Liaison (1.0 FTE; WAPSO 4) to be the primary point of contact for sustainable procurement at the City of Winnipeg for internal departments and external stakeholders, and Indigenous Rightsholders and to oversee the Social Procurement Framework and Sustainable Procurement Action Plan ($121,651).

4. That the Public Service provide annual progress reports by March of each year to Executive Policy Committee.

5. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

ADMINISTRATIVE REPORT

Title: **INTRODUCTION OF A SUSTAINABLE PROCUREMENT ACTION PLAN**

Critical Path: Executive Policy Committee - Council

AUTHORIZATION

Author	Department Head	CFO	CAO
B. D'Avignon	C. Kloepfer	C. Kloepfer	M. Jack

EXECUTIVE SUMMARY

This administrative report recommends the adoption of a Sustainable Procurement Action Plan (SPAP) and an allocation of financial resources to implement the plan over three years.

Sustainable Procurement is about capturing the economic, social, environmental, and cultural impacts of purchasing decisions to foster healthy and vibrant communities. It is a powerful tool to help the City deliver on sustainability priorities outlined in key Plans and Policies.

The SPAP is a comprehensive plan developed through extensive stakeholder engagement. It will ensure meaningful follow-through for various strategies, plans, and policies across the organization as they relate to procurement of goods and services.

The vision is to have the City's procurement practices fully consider the relevant social, economic, cultural, and environmental impacts related to the goods and services purchased and the suppliers who deliver them. Sustainable procurement helps to:

- Increase environmental responsibility and resilience through Indigenous knowledge, natural resource preservation, renewal, enhancement, and reuse.
- Develop an equitable, diverse, and inclusive community and remove systemic barriers.
- Support education and employment opportunities to foster social and economic equity.
- Strengthen community cohesion through inclusive engagement, reconciliation, collaboration, and responsiveness with all members of the community.

This action plan will enable the City to deliver a successful Sustainable Procurement Program.

Winnipeg has adopted a model which promotes a comprehensive approach to sustainable procurement to address supply chain opportunities across four pillars: environmental, ethical, social, and Indigenous.

In January 2022, Council adopted the Social Procurement Framework which provided the basis on which the SPAP was developed. To support the SPAP's development, the Public Service awarded a contract to Buy Social Canada through a competitive bid process.

The Public Service and Buy Social Canada met extensively with external stakeholders to build consensus and understanding of the SPAP. This included several working group meetings with industry associations, community intermediaries, Indigenous business, Chambers of Commerce, and the social enterprise sector.

A complete summary of stakeholder engagement is attached as Appendix 2.

RECOMMENDATIONS

1. That the Sustainable Procurement Action plan, attached in Appendix 1, be approved for implementation.

2. That the Corporate Finance Department be directed to prepare an annual Departmental submission to the 2023 Multi-Year Budget Process to support implementation of the Sustainable Procurement Action Plan.

3. That the following position and required estimated annual salary and benefits, increasing annually in accordance with the Collective Agreement, be referred to the 2023 Operating Budget:

    A. Sustainable Procurement Liaison (1.0 FTE; WAPSO 4) to be the primary point of contact for sustainable procurement at the City of Winnipeg for internal departments and external stakeholders, and Indigenous Rightsholders and to oversee the Social Procurement Framework and Sustainable Procurement Action Plan ($121,651).

4. That the Public Service provide annual progress reports by March of each year to Executive Policy Committee.

5. That the proper officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

On January 27, 2022, as part of Council's adoption of the Social Procurement Framework, the Public Service was directed to report back in 180 days with a Sustainable Procurement Action Plan.

IMPLICATIONS OF THE RECOMMENDATIONS

Approval of this report will provide the Public Service with authorization to implement the Sustainable Procurement Action Plan.

The Sustainable Procurement Action Plan timelines will be adjusted to align with future budget authorizations.

The implementation of each action is contingent on the appropriate resources being approved.

Funds for consulting services to continue working on Phase 2 of the project under RFP 2-2022 are estimated to be:

Year 1 $94,500
Year 2 $32,250
Year 3 $26,250
Roundtable honorarium $15,000 (for all three years)

The estimated total amount is $168,000 plus one FTE estimated at $121,651 annually.

HISTORY/DISCUSSION

On January 27, 2021 Council adopted a motion:

1. That the Social Procurement Framework, attached, be approved as the guiding framework from which the Sustainable Procurement Action Plan will be developed.
2. That the Public Service procure external consultant services, through a competitive bid process, funded from within the existing Corporate Finance 2022 budget, to:
    A. Undertake additional review of the Sustainable Procurement Action Plan with the external working group and its sub-working groups;
    B. Facilitate such future working group meetings;
    C. Provide the specific expertise and knowledge related to social and sustainable procurement, with demonstrated experience and success in facilitating development of social procurement policies with public sector entities, to complete the Sustainable Procurement Action Plan; and
    D. If necessary, propose amendments to the Social Procurement Framework based on items 2. a., 2. b., and 2. c.
3. That the Sustainable Procurement Action Plan:
    A. Reflect the ongoing, multiyear supporting resources required for implementation; and
    B. Consider any existing internal resources that could be prioritized and reallocated to support this effort.
4. That the Public Service Report back in 180 days with a Sustainable Procurement Action Plan.
5. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

The Sustainable Procurement Action Plan (SPAP) has been updated to reflect feedback from all working groups, community Stakeholders and Rightsholders. The SPAP is a three (3) year plan to be reported on annually and updated every three years. It details the actions and steps to align City purchasing across four pillars of sustainability and contribute to the vision and goals for Sustainable Procurement. The SPAP outlines a strategy for implementation based upon the approved Social Procurement Framework. The SPAP is attached in Appendix 1.

The Public Service awarded a competitively bid contract to Buy Social Canada on February 28, 2022 and immediately got to work. The City of Winnipeg and Buy Social Canada engaged with a Main External Working Group, three Sub-External Working Groups (Social, Construction and

Diverse), Indigenous Rightsholders, internal subject matter experts and City departments to gather information and feedback on the Sustainable Procurement Action Plan (SPAP). A report on the engagement can be found in Appendix 2.

The next step in this process is to award Phase 2 of the Work under RFP 2-2022, contingent upon Council approval of sufficient funding. To develop the procurement procedures and guidelines for implementation, to develop tools such as a Sustainable Procurement RFx Questionnaire and a social value menu, to help the City provide learning workshops and training resources for internal staff and external Stakeholders and Indigenous Rightsholders, and to develop reporting metrics, all while continuing to provide guidance to the City in the implementation process and to support engagement with Stakeholders and Indigenous Rightsholders.

FINANCIAL IMPACT

Financial Impact Statement **Date:** June 2, 2022

Project Name: **First Year of Program** **2023**

INTRODUCTION OF A SUSTAINABLE PROCUREMENT ACTION PLAN

	2023	2024	2025	2026	2027
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs - SPAP Phase 2 - Salaries & benefits, WAPSO 4	$ 121,651	$ 125,528	$ 127,380	$ 129,705	$ 132,299
Direct Costs - SPAP Phase 2	$ 99,500	$ 37,250	$ 31,250	$ -	$ -
Less: Incremental Revenue/Recovery	$ -	-	-	-	-
Net Cost/(Benefit)	$ 221,151	$ 162,778	$ 158,630	$ 129,705	$ 132,299
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ 221,151	$ 162,778	$ 158,630	$ 129,705	$ 132,299

Additional Comments:

Direct costs include the salaries and benefits of the "Sustainable Procurement Liaison", WAPSO 4, Step 21 (1 FTE) and the funds required to continue with Phase 2 of Sustainable Procurement Action Plan (SPAP). These costs are being referred to the 2023 budget process for the amount in the Net Budget Adjustment Required. The implementation of SPAP Phase 2 is contingent on the additional position and expense budget being approved to support the Plan.

Jocelyn Peters - June 2, 2022

Jocelyn Peters, CPA, CGA
Manager of Finance & Admin. (Campus)

CONSULTATION

This Report has been prepared in consultation with:

All City departments

OURWINNIPEG POLICY ALIGNMENT

Goals Alignment: Leadership and Good Governance, Environmental Resilience, Economic Prosperity and Social Equity

Policy Alignment:
1.6 Results-Based Budgeting- budget priorities to achieve integrated, intergenerational life-cycle planning that maximizes community return on investment.

1.16 Equitable Funding Distribution- decisions on external funding and resources to use criteria to prioritize community-led organizations that respond to the needs of systemically disadvantaged groups, and demonstrate long-term community benefit.

1.21 Strategic Procurement- coordinate procurement strategies across government bodies that support and enable the scaling up of community economic development opportunities.

1.7 Equitable Service Access- identify and provide access to, a base level of municipal services to everyone, directly or facilitated through partnerships that enables removal of systemic barriers to participation.

1.17 Neighbourhood Needs Assessment- enables focused revitalization to geographic areas that need it most and understanding of socio-economic needs, gaps and resources for collaborative action.

3.10 Indigenous Economic Development - prioritize support of Indigenous-led economic development opportunities for the benefit of Indigenous Peoples.

3.12 Poverty Reduction- reduce poverty and homelessness through community economic development.

3.13 Poverty Reduction- develop criteria to achieve a living wage for municipal employees and those awarded City contracts.

3.14 Strategic Enterprise Supports- enables employment opportunities through municipal procurement**.**

3.15 Community Capacity Development- support organizations who provide workforce education and skills development that aligns with emerging, evidence-informed economic opportunities.

5.4 Reconciliation with Indigenous Peoples- commits to municipal scale responsibilities for recommendations in UNDRIP, TRC and MMIWG.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Strategic Opportunity 1 is about Corporate Leadership and actions to help create a culture of sustainability within the City. It includes the short-term direction to “Integrate Sustainability and Climate Action into Procurement standards which can demonstrate increasing impact from year to year” (1.1).

6.2: Advance Winnipeg’s circular economy to support waste reduction

Action: Work with local stakeholders and regional partners to support “circular economy” initiatives that minimize waste production.

Action: Work with key federal, provincial and regional stakeholders to advance Extended Producer Responsibility Programs to target plastics, mattresses, cardboard and other designated materials.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

The information and recommendations presented in this report align with and advance the Winnipeg Poverty Reduction Strategy (2021 – 2031) as follows:

They embody the following Guiding Principles:
We will uphold Human Rights
We will Honour Relationships and Reconciliation with Indigenous Peoples
We will address Systemic Oppression, Trauma, and Social Inequity
We will Develop Trust and Meaningful Partnerships to find solutions and drive change

Goal 1 Equity and a Culture of Caring are Demonstrated through Strategy Implementation and Systems Change

Related 10-year Objectives:

- **A.** Equity and a Culture of Caring are factored into all service planning and budget decisions, resulting in City-wide systems change.
- **B.** The City advocates for and pursues partnerships to implement the Strategy.

Goal 3: Equity is Embedded in all City Employment and Income Opportunities

Related 10-year Objectives:

- **A.** Hiring and training programs are implemented that focus on equity, diversity, inclusion, reconciliation with Indigenous people, and poverty reduction
- **B.** City purchasing power is leveraged to achieve social and community benefits.

The information and recommendations presented in this report also advance the following **Actions,** as listed in the Winnipeg Poverty Reduction Strategy Implementation Plan (2021 - 2023):
(Note: The Public Service Lead is noted in brackets.)

Action 1.4: Community Benefits in City Projects - Explore the development and implementation of a process to ensure that all City investments, purchases, and public works projects consider equity and community benefit contributions aimed at reducing poverty as part of their bid process, particularly for projects geographically located in areas of higher poverty. For major projects anywhere in the city, such as the upgrade of the North End sewage treatment plant, widening of Kenaston Blvd., and the extension of municipal services to Naawi-Oodena (former Kapyong Barracks), ensure that the selection process factors in bids and proposals that include poverty reduction and workforce integration within their proposal, such as programs/partnerships that support workforce development and hiring of people facing barriers to employment. (Corporate Finance)

Action 3.7: Social Procurement - Update the Materials Management Policy and create a Sustainable Procurement Appendix to reflect social procurement priorities; identify and pursue with community partners high impact social procurement opportunities; and partner with community agencies, intermediaries, and other governments to provide training and additional supports aimed at social enterprises and Indigenous-led businesses on how to participate in bid processes and sell goods and services to the City.(Corporate Finance – Materials Management)

SUBMITTED BY

Department: Corporate Finance
Division: Materials Management
Prepared by: Corinne Evason
Date: June 3, 2022
File No: 2-2022

Attachments:

Appendix 1: Sustainable Procurement Action Plan

Appendix 2: Stakeholder Engagement Summary