

Sustainable Procurement - Tools and Procedures

The following list includes the tools and procedures Administration is developing and implementing to ensure its procurement reflects social, ethical, environmental and Indigenous considerations.

Diversity Spend Reporting Framework

Target: Spring 2024

This framework will identify how the City will track the diversity of City suppliers against social value consideration outcomes of the City's Sustainable Procurement Policy. It will describe the current efforts underway to support diversity spend at the City, as well as recommendations for future activities to support and increase diversity spend.

Work Completed to Date:

Through a survey of all active suppliers in 2022, as well as updates made in 2023 to the new vendor set-up process, applicable City suppliers may now self identify as one of the following:

- Social Enterprise
- Social Purpose Organization
- Indigenous-owned business
- Women-owned business
- Business owned members of a visible minority
- Business owned by persons with disabilities
- Veteran-owned business
- Business owned by 2SLGBTQIA+
- Youth-owned business
- Immigrant or refugee-owned business

Currently, Administration is working with the suppliers to update the suppliers' information in our records.

The City is a member of the Canadian Collaboration for Sustainable Procurement (CCSP). The CCSP, formerly the Municipal Collaboration for Sustainable Procurement (MCSP), is a member-based network of Canadian public-sector institutions working together to align their spending with their values and commitments on sustainability. CCSP includes 37 total members from across Canada with 23 of those members being municipalities or provincial governments.

- As part of CCSP's Annual Report¹, members' participate in a benchmarking exercise to identify overall program maturity and year-over-year improvements within their Sustainable Procurement programs. The benchmarking exercise is a self assessment based on the following 10 criteria: Strategy & Action Plan; Staffing & Resources; Policies; Procedure; Tools; High Impact Procurement Opportunity List; Training & Engagement; Measurement & Reporting; Supplier Engagement; Leadership & Collaboration.
- There is not a formal ranking process as part of the benchmarking exercise but in comparing benchmarking scores among all the members, it appears that Edmonton would rank third out of the 23 government members and fifth out of the 37 total members of CCSP.

Upcoming Work:

- Finalize the framework to utilize the reporting in an effort to increase Supplier Diversity.

Indigenous Set Asides Approach

Target: Spring/Summer 2024

The City of Edmonton, through the City's Indigenous Procurement Framework², has set a goal to increase direct and subcontracting spend with Indigenous businesses. This is being achieved through development of an Indigenous Set Aside Approach and other processes that support Indigenous procurement and sustainable procurement.

An Indigenous Set Aside is a process for certain City purchases to be sourced from Indigenous businesses directly. Administration is working with Buy Social Canada to conduct ongoing engagements to develop the Indigenous Set Aside Approach.

Work Completed to Date:

A Preliminary Set Aside Approach has been designed and internal engagement with City subject matter experts and stakeholders is underway.

¹reeveconsulting.com/wp-content/uploads/2024/03/CCSP-2023-Annual-Report_The-State-of-Sustainable-Public-Procurement-in-Canada.pdf

²edmonton.ca/sites/default/files/public-files/IndigenousProcurementFramework.pdf?cb=1711644121

Upcoming Work:

- Following internal engagement, the City will focus on engaging with the Indigenous business community.
- Once the final Set Aside Approach is confirmed, the program will be communicated to internal staff and external stakeholders.

Community Benefit Agreement Framework

Target: Fall 2024

Administration is implementing a community benefit agreement framework, for eligible projects, to legally enforce specific social value outcomes such as hiring, training, or procurement on construction, infrastructure and developmental projects to ensure projects enhance social, cultural, environmental and economic opportunities for the community.

The City's Valley Line West and Metro Line LRT projects include community employment benefit requirements, stemming from federal requirements. The City is looking to advance a similar concept on other large infrastructure projects.

Work Completed to Date:

A Preliminary Community Benefit Framework has been designed, and internal engagement with City subject matter experts and stakeholders is currently underway.

Upcoming Work:

- Once internal engagement has been completed, final design of the framework will be confirmed.
- Once confirmed, the City will seek feedback from external stakeholders, such as industry associations.
- Once the framework is finalized, it will be enrolled through information sessions with internal City staff.

Measurement and Reporting Framework

Target: Fall 2024

The City will use an outcomes-based measurement and reporting process aligned with existing City of Edmonton policy, programs and strategies. A major task of the implementation process is to create the appropriate goals, the

measurement criteria, and the reporting methodology, and furthering existing policies, programs and strategies.

Work Completed to Date:

With the application of the Sustainable Procurement menu, outcome areas in relation to Social, Indigenous and Environmental initiatives have been identified as requirements for measurement and reporting.

Upcoming Work:

- Overall development of the framework, which includes identifying key metrics to incorporate based on outcome areas, reporting frequency options, and updates to Ariba to accommodate the reporting framework.

Sustainable Procurement Communication Plan

Target: Ongoing

This communication plan will be used for internal and external socialization of the Sustainable Procurement framework to normalize the increased inclusion of sustainability elements in City procurements.

Work Completed to Date:

Even though a formal communication plan has yet to be established, communication has been widespread since the conception of Sustainable Procurement at the City.

Engagement with Industry and Community grew significantly in 2023. With more initiatives stemming from the Sustainable Procurement Policy, a more concerted effort to notify City partners was exercised. Communications efforts in 2023 included engagement with seven industry organizations; nine community organizations, as well as a mix of conferences, seminars, interviews or roundtable discussions. The City also met with numerous individual businesses to help guide them in navigating the City's procurement processes and to share with them information on the Sustainable Procurement Program.

"Selling to the City" sessions were also reintroduced in the fall of 2023, with promotion revamped to focus more on attendance of diverse and Indigenous-owned businesses. Two virtual sessions were held in the fall. These sessions give businesses the opportunity to see how the City considers bids, speak with City buyers and ask questions about the buying process.

Upcoming Work:

- Administration is working with business communities to host a social procurement networking event called “Purchase with Purpose: Opportunities for Indigenous, diverse and social businesses to sell to the public sector”.
 - The half day event is for current and potential social value suppliers to meet and connect with the City and other public purchasers in the area.
 - Other major suppliers who are looking to subcontract work to social value suppliers will also be invited to come to the event to make connections and build relationships.
 - At the event, Administration will provide an update to attendees on sustainable procurement tools and procedures and there will be a trade show with purchaser booths.
- Communication will be on-going as the City's Sustainable Procurement Program continues to progress and develop.
- Formal planning for communication requirements will be designed as required. As new procedures or tools require engagement, feedback, training or simply notification, appropriate communication methods will be addressed and applied.
- An additional two virtual and one in-person sessions are scheduled for the first half of 2024. More sessions will be scheduled for the latter part of the year.

Sustainable Procurement Advisory Committee

Target: Spring 2024

The Sustainable Procurement Advisory Committee will advise Administration on the implementation, improvements and outcomes of the City of Edmonton's Sustainable Procurement policy. This committee will be comprised of both internal and external stakeholders that can speak on behalf of industries and community groups that will be affected by the City of Edmonton's Sustainable Procurement policy.

Work Completed to Date:

A Terms of Reference has been established and proposed member organizations for the committee have been identified.

Upcoming Work:

- Engage proposed member organizations and have them identify a representative to sit on the committee.
- Once organization representatives have been identified a call to convene the committee will be issued.

Procurement and Contract Risk Assessment (PACRA)

Implemented.

Work Completed to Date:

The PACRA is a questionnaire filled out at the beginning of all procurement processes for all procurements over \$25,000, as well as all information technology and consulting/professional services procurements. The purpose of the form is to determine risk factors applicable to each procurement and determine whether any additional steps need to be taken to appropriately mitigate the risks.

A reminder to address Sustainable Procurement has been added to the PACRA. Every time a PACRA is submitted, employees will receive a notice to either refer to the Sustainable Procurement menu for applicability or to contact the Sustainable Supply Chain Lead if the employee noted Sustainable Procurement does not apply.

Sustainable Procurement Internal Implementation Plan

Implemented.

Work Completed to Date:

A detailed plan, key focus areas and project approach to complete the initiatives required to develop the City's Sustainable and Indigenous Procurement Program has been finalized with collaboration of BuySocial Canada. In addition, a project approach for developing a strategy for building and leveraging internal and external relationships has been finalized.

Sustainable Low Value Purchasing Guideline

Implemented.

Work Completed to Date:

The Sustainable Low Value Purchase Guideline was introduced in July 2023. This Guideline provides instructions to City staff on when and how to include Social/ Indigenous/ Sustainable considerations for Low Value (<\$25,000.00)

procurement decisions. It includes when and how to source low value procurements directly from social enterprises, Indigenous businesses, and diverse-owned businesses. A key feature of this guideline is that it includes a variety of third party Diverse Company directories to which low value procurements can be directed.

In the fall, a survey went out to City staff regarding their awareness and use of the Guideline and over 300 responses were received. Over one third of respondents had used the Guideline.

Upcoming Work:

- In an effort to understand the Corporate wide application of this guideline, a survey was sent out to City staff who issue Low Value procurements. The results of this survey indicate additional training and orientation is required.
- Developing a plan for additional training will be the next step for this initiative.
- Adding more Diverse Company Directories to the guideline will also be addressed.
- The City will also explore ways to make the Guideline more efficient and easier to use.

Procurement and Contractual Requirements (Sustainable Procurement Menu)

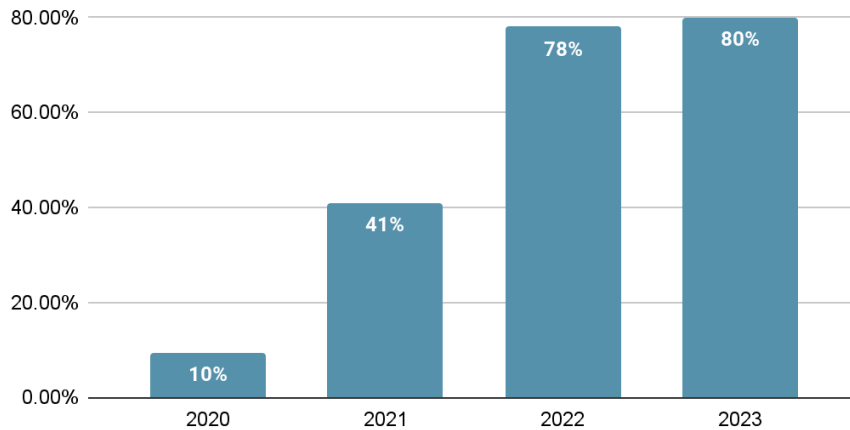
Implemented.

Work Completed to Date:

Administration developed a menu of sustainable procurement evaluated criteria and contractual requirements which was introduced in August 2023. Contractual requirements include hiring Indigenous or equity-deserving employees, hiring apprentices, purchasing from Indigenous businesses, diverse-owned businesses or social enterprises, and environmental considerations. There are both scored and mandatory submission requirements included in City of Edmonton procurements to assess suppliers' compliance with the requirements upfront and appropriate contractual requirements. The City has recently made upgrades to the procurement system (Ariba) to capture requirements.

In 2023, 80 per cent of competitive procurements included sustainable benefit criteria, up from 78 per cent in 2022 and 41 per cent in 2021.

Procurements Including Sustainable Criteria (%)



Upcoming Work:

- Measurement and Reporting of outcomes from the application of the Menu is being developed. Use of the updated menu is still in the early stages, so determining whether the menu use is achieving desired results will be monitored and reviewed on an on-going basis as more procurements are completed using menu items and as more contracts include menu requirements.
- Training materials, such as an instructional video, are in the process of being completed. Aligning training requirements with the City's Learning Management System will also be addressed.

Sustainable Procurement Training

Implemented.

Work Completed to Date:

Administration implemented the following training activities:

- Internal "Train the Trainer" Session - This session, directed towards contracting business units at the City, included an overview of sustainable procurement and contract requirements. 34 CPSS Staff have been formally trained to apply Sustainable Procurement Criteria.
- Internal Low Value Purchase/New Tools Training Video - This video outlines the City of Edmonton's low value purchases and how they can be used to support sustainable procurement.

- External Stakeholders Training Video – This video is for current and potential vendors (such as small, diverse and social enterprise suppliers) to respond to the sustainable procurement goals of the City. It includes information about voluntary disclosure of business ownership, sustainable evaluation criteria and contract requirements, and the Supplier Code of Conduct.

Upcoming Work:

- Training will be on-going as requirements for refreshers of existing procedures and tools arise, such as for the Sustainable Procurement Menu or Sustainable Low Value Purchase Guideline.
- Training will also be required for when new sustainable tools or procedures such as the Indigenous Set Aside Approach, Community Benefit Framework and Measurement and Reporting Framework are implemented.