Corporate Procurement and Supply Services

Sustainable Procurement

Measurement and Reporting Framework

Developed with Buy Social Canada

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Introduction

Sustainable procurement is about consciously considering intended and unintended economic, environmental and social impacts and seeking to make positive community contributions through purchases.

The City of Edmonton integrates economic, quality, ethical, environmental and social value considerations into procurement processes for goods, services and construction projects, to the extent permitted by the City's Procurement Standard and trade agreement obligations. The City's Sustainable Procurement Policy - C556B provides a framework for purchasing activities to create intentional positive environmental, social, and economic impacts while maintaining open, fair and transparent procurement processes.

The Measurement and Reporting Framework outlines the primary and secondary indicators of the tools and procedures for sustainable procurement outcomes across City departments. The Framework provides an overview of the City's sustainable procurement efforts to achieve the required outcomes tied to its procurement guiding principles.

This Measurement and Reporting Framework applies across City departments to support the full implementation of the City's sustainable procurement program and track year-over-year changes and progress in the annual report.

Measurement Framework

The City of Edmonton uses the following guiding principles in its purchasing decision-making process and activities:

- Ethical Standards
- Environmental Sustainability
- Indigenous Procurement
- Social Value Considerations

Each of these guiding principles includes minimum requirements or expected outcomes that are incorporated into purchasing procedures and supply chain management processes to achieve the City's overarching goal to build and maintain "a healthy, prosperous and climate-resilient community" in alignment with the City's Sustainable Procurement Policy - C556C.

In addition to the Measurement and Reporting Framework, the Diversity Spend Framework outlines how the City tracks, measures and reports on the Social Value Consideration and Indigenous Procurement principle's expected outcomes of purchasing from Indigenous businesses, diverse businesses and social enterprises.

This Framework focuses on the indicators for each of the guiding principles that will be reported on. Primary and secondary indicators are identified for each guiding principle and these will be monitored to track the City's progress towards the expected outcomes. The indicators measure outcomes related to ethical, environmental, Indigenous, and social value considerations included in the City's contracts and subcontracts. Reporting on subcontracting outcomes provides a deeper picture of the City's efforts to implement sustainable procurement throughout its supply chain, including Tier 1 and Tier 2 suppliers.

Primary indicators are always reported on to track year-over-year changes and report on the implementation of the sustainable procurement program. These primary indicators are gathered along with qualitative stories, learnings and recommendations to form the sustainable procurement update which is included in the Annual Delegation Report submitted to City Council. Secondary indicators are identified so that if desired, additional data relevant to the expected outcomes can be shared. The amount of data that could potentially be reported on is vast. To ensure reporting is meaningful and actionable, the primary indicators are prioritized for year-over-year data collection. Secondary indicators are collected and shared as needed.

The City may assess which secondary indicators to track for the year depending upon each year's data collection processes and priority areas of sustainable procurement implementation. Some indicators are set across all procedures and tools to support the full implementation of the City's sustainable procurement program. A full list of indicators by procedures and tools can be found in Appendix A.

Guiding Principle	Expected Outcomes	Primary Indicators	Secondary Indicators
Ethical Standards	- Labour standards - Employee treatment - Wages and benefits - Working conditions - Ethics standards	# of non-compliance with the Supplier Code of Conduct that have been reported and confirmed # of contracts non-compliant with the City's living wage requirements for contracted services	n/a

Environmental Sustainability	• Emissions management • Reduced pollution • Energy efficiency • Waste minimization	• # of carbon dioxide equivalent units (CO2 eq) of GHG emissions reported in contracts • Description of activities taken to reduce emissions on contracts • $ value of contracts that required GHG emissions reporting • Waste reduction, including Kg of waste generated	• Volume of hazardous products used • Volume of environmentally sustainable materials used, including sustainably certified products • Volume of renewable materials used • Description of activities taken to o Minimize waste on contracts o Reduce pollution on contracts o Reach energy efficiency o Reduce water consumption
Indigenous Procurement	Indigenous businesses and the Indigenous community at-large to realize social and economic impacts	• Total $ value of Indigenous business spend o With contractors o With subcontractors • # Indigenous employment hours o With contractors o With subcontractors	• # of contracts with Indigenous businesses • # contracts awarded to Indigenous businesses through a competitive bidding process • # low value purchases from Indigenous businesses • # bid submissions from Indigenous Businesses • # of subcontracts with Indigenous businesses • $ value of Indigenous subcontracts
Social Value Considerations	• Employment • Skills and Training • Social Value Supply Chain • Community Development • Increase Diverse Spend	• # of equity-deserving groups employment hours o With contractors o With subcontractors • $ value of contracts with diverse businesses • $ value of contracts with social enterprises	• # of paid apprenticeship or internship hours • # paid apprenticeship or internship hours with equity-deserving groups • $ value of contracts with small businesses • $ value of subcontracts with

			• # of bid submissions from
			   o Small businesses
			   o Diverse businesses
			   o Social enterprises
			• # of bid submissions from
			   o Small businesses
			   o Diverse businesses
			   o Social enterprises

Program	Overall progress of sustainable procurement program implementation	• $ value and # of procurements that incorporate the following weighted criteria:
		   o Indigenous criteria
		   o social value criteria
		   o environmental criteria
		• $ value and # of contracts that incorporate the following contract requirements:
		   o Indigenous criteria
		   o social value criteria
		   o environmental criteria
			• Engagement metrics (Appendix C)
			• Training metrics (Appendix C)

Reporting Tools and Responsibilities

Reporting tools are used for consistent data collection across sustainable procurement program activities. The different reporting tools may be adapted and further tools developed over time.

Annual Delegation Report

The Annual Delegation Report shows year-over-year data for the primary indicators. This allows for longitudinal progress to be easily viewed. Appendix B includes a template for the report.

Business Self-Identification Survey

The Business Self-Identification Survey is for businesses to self-identify as a small business, diverse-owned business and/ or a social enterprise. This tool can be used by contractors and subcontractors. The City requests all new contractors to self-identify as part of their vendor on-boarding.

Contractor Community Benefits Report

In alignment with the Community Benefits Framework, projects with community benefits require contractors to report at a regular frequency (such as monthly, bimonthly, or quarterly) on the community benefits achieved for that time period in the Contractor Community Benefits Report. The community benefits could be related to employment, training and/or purchasing.

Low Value Purchase Orders and Corporate Credit Card Report

Purchases made via low-value purchase order, which are purchases where there is no formal contract between the City and the supplier, and purchases made via corporate credit cards will be reported on annually. The number of diverse businesses, Indigenous businesses, and social enterprises purchased from and value of the spend will be calculated by reviewing low value purchases with suppliers self identified as diverse in SAP Ariba, as well as by cross-referencing the master list of suppliers with the supplier directories noted in the Sustainable Low Value Purchase Guidelines.

Employee Self-Identification Survey

The Employee Self-Identification Survey is for contractors and subcontractors who have contract requirements or community benefits on their project. The survey asks employees to voluntarily self-identify
as being part of an equity-deserving group. The contractor or subcontractor who collects this data from their employees then reports their project employment by an equity-deserving group anonymously.

Indigenous Set Aside Report

An Indigenous Set Aside is a procurement that is only available to Indigenous businesses and provides Indigenous socio-economic benefits. It is not about purchasing new goods or services for the sole benefit of the Indigenous community. It is rather a sustainable procurement tactic that helps to address barriers and challenges faced by Indigenous businesses in order to allow them to participate more fully in the City's procurement processes.

In alignment with the Indigenous Set Aside Approach, the Indigenous set Aside Report is completed by staff when an Indigenous Set Aside is applied to a purchase.

Sustainable Procurement Data Collection Form

In alignment with the Sustainable Procurement Menu, the Sustainable Procurement Data Collection Form is for contracts with a sustainable procurement reporting requirement. Contractors will include their data and their subcontractor data on employment, training, and/or purchasing.

Tool Summary

The following table shows reporting tools used in the sustainable procurement program. It indicates who adds data to each tool and who that tool is submitted to once the data is added. The program activity that includes the tool is shown, along with how often the tool is used. In the future, the City may consider developing additional tools tailored to reporting needs.

Reporting Tool	Responsible for Adding Data to Tool	Report Submitted to	Program Activity	Reporting Frequency
Annual Delegation Report Template	Sustainable Procurement Lead	Chief Procurement Officer and Council	Overall Program	Annual
Business Self-Identification Survey	Contractor or Subcontractor	Sustainable Procurement Lead or Contractor	Community Benefits Framework, Diversity Spend Reporting Framework	Ongoing
Contractor Community Benefits Report	Contractor	Contract Manager and Sustainable Procurement Lead	Community Benefits Framework	Set per contract, potentially monthly or bimonthly
Low Value Purchase Order and Corporate Credit Card Report	City Purchaser	Sustainable Procurement Lead	Sustainable Low Value Purchase Guideline	Annually
Indigenous Set Aside Report	Contractor/ Supplier	Contract Manager and Sustainable Procurement Lead	Indigenous Set Aside Approach	Per contract, annually or at end of contract
Sustainable Procurement Data Collection Form	CPSS Buyer	Sustainable Procurement Lead	Sustainable Procurement Menu	Set per contract

Appendix A – Indicators by Procedure or Tool

The table below shows the sustainable procurement procedures and tools and what indicators can be collected from each of them. Each procedure and tool is associated with sustainable procurement guiding principles.

Primary indicators are always reported on to track year-over-year changes and report on the implementation of the sustainable procurement program. Primary indicators inform the sustainable procurement Annual Delegation Report. Secondary indicators may provide more details on the outcomes generated through the sustainable procurement program for a specific year. They are optional to report on. Tertiary indicators are possible to collect from the City's various procedures and tools but are not emphasized in the Measurement and Reporting Framework. They may be collected to inform progress internally. The City may assess secondary and tertiary indicators to decide if they should be reported on for the year.

Procedures and Tools	Indicators	Guiding Principles
Diversity Spend Reporting Framework	**Primary** • $ value of contracts with small businesses • $ value of contracts with Indigenous businesses • $ value of contracts with diverse businesses • $ value of contracts with social enterprises • # of contracts with small businesses • # of contracts with Indigenous businesses • # of contracts with diverse businesses • # of contracts with social enterprises **Secondary (optional)** • # of bid submissions from small businesses • # of bid submissions from Indigenous businesses • # of bid submissions from diverse businesses • # of bid submissions from social enterprises • $ value of sub-contracts with small businesses • $ value of sub-contracts with Indigenous businesses • $ value of sub-contracts with diverse businesses • $ value of sub-contracts with from social enterprises **Tertiary (optional)** • $ value of diversity spend by purchasing category • $ value of low-value purchases from small businesses • $ value of low-value purchases from Indigenous businesses • $ value of low-value purchases from diverse businesses • $ value of low-value purchases from social enterprises	Indigenous Procurement Social Value Considerations
Community Benefits Framework	**Primary (varies by project)** • # of equity-deserving group employment hours from contractors • # of equity-deserving group employment hours from subcontractors	Indigenous Procurement Social Value Considerations

	● $ value of Indigenous business spend ● $ value of contracts with small businesses ● $ value of contracts with diverse businesses ● $ value of contracts with social enterprises Secondary (optional) ● # of paid apprenticeship or internship hours	
Indigenous Procurement Framework	Primary ● $ value of Indigenous business spend ● $ value of Indigenous business spend with contractors ● $ value of Indigenous business spend with subcontractors ● # of Indigenous employment hours ● # of Indigenous employment hours with contractor ● # of Indigenous employment hours with subcontractors Secondary (optional) ● # of contracts with Indigenous businesses ● # contracts awarded to Indigenous businesses through a competitive bidding process ● # low value purchases from Indigenous businesses ● # bid submissions from Indigenous Businesses ● # of subcontracts with Indigenous businesses ● $ value of Indigenous subcontracts Tertiary (optional) ● # of presentations of Selling to the City ● % of businesses in Edmonton identifying as Indigenous ● # of bid submissions received from Indigenous Businesses.	Indigenous Procurement
Social Procurement Framework	See indicators from the Sustainable Procurement Menu.	Social Value Considerations
Supplier Code of Conduct	Primary ● # of non-compliance with the Supplier Code of Conduct that have been reported and confirmed	Ethical Standards
Sustainable Procurement Menu	Primary ● $ value of Indigenous business spend ● $ value of Indigenous business spend with contractors ● $ value of Indigenous business spend with subcontractors ● # of Indigenous employment hours ● # of Indigenous employment hours with contractor ● # of Indigenous employment hours with subcontractors ● # of equity-deserving group employment hours from contractors	Environmental Sustainability Indigenous Procurement Social Value Considerations

Appendix B - Annual Delegation Report Template

The Annual Delegation Report Template includes each years' primary indicators and changes from one year to the next to show outcomes over time and progress towards the expected outcomes associated with the sustainable procurement guiding principles. Targets set by the City for some tools and procedures (in Appendix D) can be used to track progress on expected outcomes and primary indicators.

Timing of Report: Annually during Q2

The following template will be included in the Annual Delegation Report.

Guiding Principle	Primary Indicator	Year 1	Year 2
Ethical Standards	# of non-compliance with the Supplier Code of Conduct that have been reported and confirmed		
Ethical Standards	# of contracts non-compliant with the City's living wage requirements for contracted services		
Environmental Sustainability	# carbon dioxide equivalent units (CO2 eq) of GHG emissions reported in contracts		
Environmental Sustainability	$ value of contracts that required GHG emissions reporting		
Environmental Sustainability	Description of activities taken to reduce emissions on contracts		
Environmental Sustainability	Waste reduction, including Kg of waste generated		

Indigenous Procurement	Total $ value of Indigenous business spend
	   o $ value of Indigenous business direct spend
	   o $ value of Indigenous business indirect spend		

Indigenous Procurement	# Indigenous employment hours reported
	   o With contractors
	   o With subcontractors		

Social Value Considerations	# of equity-deserving groups employment hours
	   o With contractors
	   o With subcontractors		

Social Value Considerations	$ value of contracts with small businesses		
Social Value Considerations	$ value of contracts with diverse businesses		
Social Value Considerations	$ value of contracts with social enterprises		
Program	$ value and # of procurements that incorporated social value weighted criteria		

Program	$ value and # of procurements that incorporated Indigenous weighted criteria		
Program	$ value and # of procurements that incorporated environmental weighted criteria		
Program	# of procurements that incorporated environmental weighted criteria		
Program	$ value and # of contracts that incorporated Indigenous contract reporting		
Program	$ value and # of contracts that incorporated social value contract reporting		
Program	$ value and # of contracts that incorporated environmental contract reporting		

Qualitative stories

Share stories of impact to demonstrate the successful implementation of sustainable procurement tools and procedures across departments and engagement with internal and external stakeholders.

Examples could include:
- A social enterprise that won a city contract for waste management and created employment opportunities for people experiencing homelessness.
- A construction contractor who started a training program to fulfill the social value reporting requirements for training hours on a park landscaping contract.
- A local business that created a joint venture with an Indigenous business to bid for a large public works project and won the contract.

Learnings and recommendations

Share lessons learned, improvement areas, and opportunities to apply learnings to additional purchases that can be collected from internal and external stakeholders. The learnings and recommendations can be related to the program implementation and measurement of the program.

Examples could include:
- Ways that staff have innovated to improve procedures.
- Innovative strategies to engage with diverse business networks and Indigenous communities that were tested by the City, and the outcomes of the engagement.
- Any challenges observed for data collection and ways to address those challenges.

Appendix C - Engagement and Training Metrics

To support the implementation of sustainable procurement procedures and tools across departments and to facilitate measurement and reporting to the Sustainable Procurement Lead, the City of Edmonton will engage with internal and external stakeholders. The table below includes metrics that can be reported on for engagement and training to demonstrate the support the City provides stakeholders. These metrics can be shared with the Sustainable Procurement Working Group and/or in the Annual Delegation Report.

Engagement and Training	Secondary Indicators
Training sessions	- Number of training sessions hosted for - Internal stakeholders - External stakeholders - Description of which audiences were included in each training session
Networking events	# of networking events hosted # of social value suppliers who attended the events - Breakdown by category of diverse-owned businesses, Indigenous businesses and social enterprises
Sustainable Procurement Advisory Committee	# of meetings held # of committee members
Indigenous Procurement Advisory Committee	# of meetings held # of committee members

Appendix D - Targets

Targets may be used and developed over time as benchmarks of progress and motivational goal posts for purchasers. Targets will be developed with a phased approach. There are some targets that are currently set and may adjust. There are
interim targets that could follow incremental increases as program activities develop and data is collected. There are future, optimum targets that may be confirmed at a future time.

Setting targets helps to provide direction toward the expected outcomes, help to track progress along the way, make necessary adjustments, and ultimately achieve the expected outcomes. Setting clear targets fosters accountability and motivation within City staff but also with external stakeholders the City engages with.

Procedures and Tools	Proposed Targets
Diversity Spend Reporting Framework	Interim target: Annual increase of the diversity spend by X%
Community Benefits Framework	Future target: 5% for Indigenous employment and 10% starting point target for any other community benefits metrics.
Indigenous Procurement Framework	Future target: Representative of the Edmonton Indigenous population (5.39% 2016 census): • # of Indigenous businesses in contract with the City or subcontract. • Dollar value of contracts or subcontracts with Indigenous businesses Future target: 4 presentations of *Selling to the City* per year
Low Value Purchase Guide	Future target: X% of low-value purchases $ spend from small businesses, local businesses, diverse-owned businesses, and social enterprises