

# Staff Report for Decision

DATE OF MEETING JANUARY 20, 2021

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**SUBJECT SUSTAINABLE PROCUREMENT POLICY AND PROCUREMENT POLICY UPDATE**

## **OVERVIEW**

### **Purpose of Report**

To present for Council approval the revised Procurement Policy and the new Sustainable Procurement Policy.

### **Recommendation**

That Council approve the revised Procurement Policy and the new Sustainable Procurement Policy.

## **BACKGROUND**

### **Procurement Policy**

In March 2017, Council approved the Procurement Policy 3-1200-01, which transformed the City from decentralized purchasing to a centralized purchasing organization. Under this policy, staff have adopted the methodology which is supported with Standard Operating Procedures, Guideline documents, and training.

### **Sustainable Procurement Policy**

In 2019, Council requested staff commence work on sustainable procurement, including social, environmental and ethical priorities. Work has since been ongoing, cumulating in the development of the attached Sustainable Procurement Policy, which will provide staff the mandate to follow through on integrating the City's values on sustainability into procurement decisions.

## **DISCUSSION**

The Procurement Policy implemented in 2017 was set to be reviewed in three years from its effective date to determine its effectiveness and appropriateness. In consultation with staff, it was determined that the Policy required only minor updates to:

- Remove, revise, and add definitions;
- Remove any procedural elements not consistent with a policy;
- Align with modifications to the organizational structure;
- Add reference to new Trade Agreements not in effect in 2017; and,
- Align with advice from Legal Counsel.

The Sustainable Procurement Policy has been developed in consultation with a Working Group made up of staff from across various City departments, and has received input from the Senior Leadership Team and Council. The attached takes into consideration the City's Strategic Plan as well as the United Nations Sustainable Development Goals.

The Sustainable Procurement Policy asks staff to:

- Consider the sustainability impacts associated with their purchase;
- Integrate the most relevant sustainability considerations into the solicitation process from the creation of solicitation documents through to evaluation and vendor selection;
- Communicate with vendors about sustainability when possible; and,
- Monitor progress of implementation and improve practices over time.

It was determined to separate the Sustainable Procurement Policy to highlight its importance and as well allow for agility to adopt any required updates that may be more frequent than those of the Procurement Policy. The current separation will allow Procurement staff to tend to the new sustainable procurement practices and build internal capacity to carry out the Policy mandate. Over time, staff will develop a comprehensive high-performing program, integrated with current City processes, that will leverage the City's procurement activities to advance a range of environmental, social, and ethical objectives from the City's Strategic Plan. Ultimately, the intention will be to combine the two policies, the feasibility of which will be considered during the next regularly scheduled review period.

Next Steps for Sustainable Procurement:

Staff will take a measured and practical approach, seeking quick wins and big impacts, while working at a pace that allows for learning, practicing, and refining processes. To ensure progress is maintained staff will:

- Continue to engage the Working Group who have been instrumental in advancing the program;
- Develop Tools to guide implementation of sustainability into various procurement activities;
- Develop specific Standard Operating Procedures for consistent project delivery;
- Identify High Impact Procurement Opportunities (HIPO) and imbed relevant sustainability considerations in RFx documents;
- Identify indicators that will capture process and outcome measurements;
- Create a Vendor communication and engagement plan to foster external stakeholder understanding of the program; and,
- Engage and train staff.

## **OPTIONS**

1. That Council approve the revised Procurement Policy and the new Sustainable Procurement Policy.
  - The advantage of this option: Provide the Purchasing Section with the necessary policies to support standards in procurement and allow the advancement of sustainable procurement practices. With the Sustainable Procurement Policy in place, staff can begin

impacting their purchases and ultimately support the City's sustainability-related objectives.

2. That Council request Staff combine the two Policies for a singular approach to procurement.
  - The advantage of this option: Provides a singular procurement policy for an effective approach.
  - The disadvantages of this option: This approach may undermine sustainable procurement and the ability for staff to affect the necessary change in the organization.
3. That Council decline the approval and maintain the Procurement Policy in its current state.
  - The advantages of this option: Staff processes will be unchanged with no change to the current workflow.
  - The disadvantage of this option: In its current state, the Procurement Policy does not address changes to the organization or the Trade Agreements which may lead to confusion and noncompliance.

#### **SUMMARY POINTS**

- Review and update of the Procurement Policy is required to address changes to the organization and in the industry.
- The Sustainable Procurement Policy is presented as a standalone policy to highlight the importance of sustainable procurement and focus implementation.
- Next steps for Sustainable Procurement have been identified to advance the program.

#### **ATTACHMENTS:**

Attachment A: Procurement Policy  
Attachment B: Sustainable Procurement Policy

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