

ATTACHMENT A
BCSPI 2023-FEB-01 Letter to Minister Kang



British Columbia
Social Procurement Initiative

February 1, 2023

Hon. Anne Kang
Minister of Municipal Affairs
Room 028 Parliament Buildings
Victoria, BC V8V 1X4

Dear Minister Kang,

We are writing to request a meeting with you to provide an update on the British Columbia Social Procurement Initiative (BCSPI) and to explore options for additional financial support to extend the program and ensure municipal governments across BC can continue to access these valuable services.

BCSPI is a flagship program that directly meets the BC Government's mandates of creating a sustainable, clean, secure, and fair economy, building vibrant and healthy communities, mitigating climate change, and supporting inclusive prosperity. Additionally, the policies and practices being created through participation in the program ensure that the value of provincial and federal stimulus funding is being maximized (such as local government grants or investment in training for industries facing transition).

As a result of the initial funding support received in March 2021 from the Ministry of Municipal Affairs, BCSPi successfully expanded from a Vancouver-Island based pilot project to a province-wide program:

- BCSPi members have included social value in over **\$400 million** of public sector spending. A significant return on investment from the Ministry's initial funding of \$500,000
- Membership has now expanded to **35+ members** that include municipal governments, institutional purchasers, and crown corporations
- Over **600 individuals** have been trained, adding significant capacity to municipal staff resources
- Social and sustainable value considerations have now been incorporated in almost **500 purchasing projects** from goods and services purchasing to construction and infrastructure.

During these unprecedented times, we continue to see a strong need for BCSPi as a valuable and affordable program that municipal governments across BC can join to learn how to make their existing financial resources go further to help mitigate the numerous challenges faced by their communities.

Sincerely,

A handwritten signature in black ink, appearing to read "Jenna Stoner", written over a horizontal line.

Jenna Stoner
Councillor, District of Squamish
Co-Chair, BCSPi

A handwritten signature in black ink, appearing to read "Vickey Brown", written over a horizontal line.

Vickey Brown
Mayor, Village of Cumberland
Co-Chair, BCSPi

Cc: Hon. David Eby, Premier

Hon. Lisa Beare, Minister of Citizens' Services
Hon. Brenda Bailey, Minister of Jobs, Economic Development and Innovation

Proposal: Continuation of BCSPi Service Delivery

This proposal is to build upon the success of the British Columbia Social Procurement Initiative (BCSPi), by continuing the expansion and delivery of the model across British Columbia.

BCSPi is an initiative that was designed for and by local governments. It began with six municipalities on Vancouver Island who looked for ways to collaborate to share the effort, the learnings, and the cost of advancing social procurement across their communities. BCSPi now works with more than 35 organizations across the province including governments, purchasers, and crown corporations.

Since its inception, BCSPi has continued to be recognized as a key resource for municipalities across BC and an international model for adapting and implementing social procurement across a wide geographic region, including rural, remote, and smaller municipalities as well as in urban areas.

All of BC's 162 municipalities and additional institutional purchasers (school districts, libraries, colleges, hospitals, etc.) can access capacity building, resources, training, and hands-on expert support to align their purchasing to achieve social and environmental outcomes.

The Initiative is governed by a Steering Committee made up of both elected officials and staff, with services delivered by a partnership of social procurement content and process experts.

In the current model, there is a sliding scale membership fee to keep the initiative accessible to communities of all sizes. Local governments fees are based on population and for institutional purchasers/non-local government members, fees are calculated based on annual spend. Membership fees currently contribute to approximately 40% of the project delivery cost.

BCSPi is seeking funding to continue supporting local governments and institutions with the implementation of social and sustainable procurement best practices across BC, by providing:

- Full-service benefits to members
- Development and delivery of both standardized and adapted learning content, training, and topical webinars that respond to emerging opportunities and issues
- Ongoing development of best practices tools, templates, and resources
- Delivery of bespoke coaching and consulting support for members on a project-by-project basis, including specific attention to the needs of small, rural, and remote communities
- Ongoing communities of practice and peer mentorship
- Standardized vendor outreach and engagement
- Research, evaluation, and impact measurement aligned to the United Nations Sustainable Development Goals (SDGs)
- Development of communications materials including impact reports and case studies
- Ongoing outreach and education to BC local governments
- Ongoing outreach and education to institutional purchasers such as crown corporations, post-secondaries, school boards and hospitals



June 22, 2023

Ref: 272917

Daniel Sailland, Chief Administrative Officer
Alberni-Clayoquot Regional District
3008 Fifth Avenue
Port Alberni, BC V9Y 2E3

Dear Daniel Sailland:

Thank you for your email following up from the April 24, 2023, meeting with Minister Beare and Minister Kang. I appreciate receiving the next phase proposal you shared for the British Columbia Social Procurement Initiative (BCSPI).

The government supports the work of the BCSPI and was pleased to provide a one-time grant of \$500,000 in March 2021. Through the BC Procurement Strategy, the government is committed to removing barriers for small and medium-sized businesses, making it easier for businesses of all sizes to work with government, and providing best value while also creating social, environmental, and economic benefits that are returned to British Columbians. I would encourage you to continue to work with staff at the Ministry of Citizens' Services as they are actively engaging on this issue from a provincial perspective.

I would also encourage BCSPI to connect with the Executive Director of the Local Government Management Association, Candace Witkowskyj (cwitkowskyj@lgma.ca), to explore if there are opportunities to advance this work collectively.

At this time, we cannot provide BCSPI with the funding requested. Neither the Ministry of Citizens' Services, nor the Ministry of Municipal Affairs, have a program in place that can support this type of request. The Ministers appreciated gaining a better understanding of the rationale driving the request as presented. Further to that, if BCSPI is exploring other options I would encourage you to develop a model where the organization becomes financially self-sustaining through membership and service fees.

Please contact Teri Spaven, Assistant Deputy Minister of Procurement & Supply Division, for your continued collaboration with Citizens' Services initiatives.

You can reach her at Teri.Spaven@gov.bc.ca or by phone at 250-516-6812.

Daniel Sailland
Page 2

Thank you again for writing.

Sincerely,

A handwritten signature in black ink, appearing to read 'T. Faganello', written in a cursive style.

Tara Faganello
Assistant Deputy Minister

pc: Teri Spaven, Assistant Deputy Minister, Procurement and Supply Division, Ministry of Citizens'
Services
Candace Witkowskyj, Executive Director, Local Government Management Association



September xx, 2023

Hon. Anne Kang
Minister of Municipal Affairs
Room 028 Parliament Buildings
Victoria, BC V8V 1X4

Dear Minister Kang,

We are writing in response to Assistant Deputy Minister Tara Faganello's letter of June 22 to request a further meeting to discuss the future of the British Columbia Social Procurement Initiative (BCSPI).

We note that ADM Faganello's letter indicated that the Ministry of Municipal Affairs does not have a program that can support our request for funding to continue the Initiative. However, BCSPI is created and operated by and for local governments, with its administrative and financial processes housed within one of the member organizations (City of Victoria). Because of this, we feel that the Initiative is well aligned with the mandate of Municipal Affairs and should be eligible for funding from your ministry.


Whilst we fully appreciate that the Ministry of Citizen's Services is responsible for advancing social and sustainable procurement within the Government's own purchasing activities, we would like to clarify that BCSPI represents the only operational tool available to B.C.'s municipalities and regional districts that links local government spending to building vibrant and healthy communities and gives them the tools, skills, and support needed to utilize social and sustainable procurement practices.

We also appreciate the suggestion to pursue development of a model where BCSPI can become financially self-sustaining. We have explored this avenue but, whilst existing membership fees account for 40% of the Initiative's delivery cost, a completely fee-based approach is not feasible because many of B.C.'s smaller local governments would not be able to participate if membership fees were increased.


BCSPI provides essential capacity building and learning for B.C.'s municipalities and regional districts which directly supports building vibrant and healthy communities that are liveable, safe, economically resilient, and socially and environmentally responsible. We've experienced first-hand the shift that social and sustainable procurement can make in our communities, and this initiative is a critical opportunity to empower B.C.'s municipalities to grow their internal capacity and make their budgets go further.

We hope that this letter, accompanying signatures, and updated proposal will further clarify that BCSPI represents an initiative which provides essential services for many of B.C.'s municipalities and regional districts, and we appreciate your consideration of helping to ensure these services remain available.

Sincerely,



Jenna Stoner
Councillor, District of Squamish
Co-Chair, BCSPI



Vickey Brown
Mayor, Village of Cumberland
Co-Chair, BCSPI

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British Columbia
Social Procurement Initiative

British Columbia Social Procurement Initiative (BCSPI) - Funding Proposal

The British Columbia Social Procurement Initiative (BCSPI) is seeking funding to continue service delivery for the next 3-5 years. BCSPI is a learning program for municipalities and regional districts across B.C. It represents the only program available to B.C.'s municipalities and regional districts that links local government spending to building vibrant and healthy communities that are liveable, safe, economically resilient, and socially and environmentally responsible.

Overview

Founded in 2019, the British Columbia Social Procurement Initiative is a B.C.-grown, internationally recognized learning program that supports municipalities and regional districts across B.C. to implement social and sustainable procurement practices.

As a result of funding received in March 2021 from the Ministry of Municipal Affairs, BCSPI successfully expanded from a Vancouver-Island based pilot project to a province-wide initiative.

To-date:

- BCSPI members have included social value in more than \$700M of public sector spending. A significant return on investment from the Ministry's initial funding of \$500,000
- Membership has expanded to over 40 organizations across the Province
- Nearly 2000 individuals have been trained, adding significant capacity for local governments
- Social and sustainable value considerations have been incorporated in more than 1000 purchasing projects from goods and services purchasing to construction and infrastructure

Social and sustainable procurement directly supports the social, economic and climate goals of local governments. It helps strengthen local economies, supports sustainability targets, creates opportunities for locally owned, diverse businesses, and employment opportunities for marginalized people and those facing barriers to traditional employment. Social and sustainable procurement also advances sustainable business practices, and delivers outcomes related to equity, diversity, inclusion, and reconciliation.

Each community participating in BCSPI is unique, but collectively they share common values and goals that allow collaboration in the process, shared learning, and utilization of common resources and tools.

Governance and Fee Structure

BCSPI is a public initiative, created by and for local governments, with its administrative and financial processes housed within one of its member organizations (City of Victoria). The Initiative is governed by a Steering Committee made up of both elected officials and staff from member organizations, with member services delivered by a contracted partnership of social and sustainable procurement experts.

In the current model, there is a sliding scale fee structure that ensures membership remains accessible to communities of all sizes, particularly small, rural municipalities that could not otherwise afford to

access the training, resources, and support to implement social and sustainable procurement best practices. Membership fees are based on population size, and currently contribute to approximately 40% of the project delivery cost. B.C. Government funding addresses the gap between what member organizations can afford, and the cost to provide appropriate services.

BCSPI has explored shifting to a solely fee-based service. However, while membership fees do currently account for 40% of the Initiative's delivery cost, a completely fee-based approach would require either a significant increase in fees (making the initiative out of reach for smaller and rural communities) or a significant reduction in service (which would compromise the quality and outcomes BCSPi is known for). The value of the services and support provided far exceeds most municipalities' budgets for internal capacity and program development. Without BCSPi, small and remote communities would be unable to advance social and sustainable procurement policies and practices. The potential community impact from embedding social procurement into purchasing is worth the investment.

BCSPi is not a "forever" project, however many of its existing members are still at a critical growth stage, and there is steady interest from local governments who are not yet members. Social and sustainable procurement is nearing a 'tipping point' where, once enough organizations have piloted and implemented policies and best practices, an ongoing initiative will not be required. Within 3-5 years, BCSPi will be better positioned to transition to a self-sustaining model where the baseline resources and learning materials can be housed within a partner organization or can become public domain for others to access in perpetuity at no cost.

BCSPi supports the goals of the B.C. Government

Communities in B.C. are facing unprecedented economic, social, and environmental challenges. Social and sustainable procurement is a globally recognized best practice that ensures spending achieves best value, not only on price and quality, but also from a social and environmental perspective. More and more governments are now understanding the opportunities within their procurement practices and their supply chains to contribute positively to economic, social, and environmental challenges. For example, in Canada, social and sustainable procurement is being recognized as a way to strengthen local economies, mitigate the impacts of climate change, and support commitments to reconciliation with Indigenous peoples, diversity, accessibility, community development, inclusion, gender equality and tackling systemic racism.

The social and sustainable value created by BCSPi members directly supports the overarching goals of the B.C. Government, in particular delivering results that support a sustainable, clean, secure, and fair economy. The Ministry of Municipal Affairs has been tasked with critical outcomes related to maximizing other levels of government funding, infrastructure development, and inclusive and sustainable economic development. Many of these outcomes are directly supported and magnified by local governments integrating social and environmental outcomes into their purchasing and infrastructure development practices.

Whilst the Ministry of Citizen's Services is responsible for advancing social and sustainable procurement within the Government's own purchasing activities, BCSPi represents the only program available to B.C.'s municipalities and regional districts that links local government spending to building vibrant and healthy communities that are liveable, safe, economically resilient, and socially and environmentally responsible.

Partnering with the B.C. Government

Following an initial pilot on Vancouver Island supported by the Island Coastal Economic Trust (ICET), a grant of \$500,000 in 2021 from the Ministry of Municipal Affairs supported the provincial expansion of BCSPi. This expansion is ongoing and BCSPi is seeking additional funding to continue providing learning and capacity building for B.C.'s municipalities and regional districts for the next 3-5 years. We would like to present two options for consideration:

Option 1:

- **\$330,000 per year for the next three years for a total of \$990,000.** Supporting the Initiative to continue for the next three years would enable the following outcomes:
 - Continued delivery of services to existing local government members across B.C.
 - Projected BCSPi Membership is 60 local governments and institutions by March 2027
 - Projected training of 1,800 session participants from April 2024 – March 2027
 - Annual impact measurement reports
 - 8 hours of core training available to every BCSPi Member staff person on social procurement introduction, implementation, and construction
 - 8-10 webinars per year on current social procurement topics
 - Bimonthly community of practice for every BCSPi Member staff person
 - Updated templates, guides, and tools to support social procurement implementation
 - Regional coordination to support social procurement integration and collaboration
 - Case studies and videos of social procurement success

Option 2:

- **\$300,000 per year for the next five years for a total of \$1.5 million.** Supporting the Initiative to continue for the next five years would enable the following outcomes:
 - Continued delivery of services to existing local government members across B.C.
 - Projected BCSPi Membership is 80 local governments and institutions by March 2029
 - Projected training of 3,000 session participants from April 2024 – March 2027
 - Annual impact measurement reports
 - 8 hours of core training available to every BCSPi Member staff person on social procurement introduction, implementation, and construction
 - 8-10 webinars per year on current social procurement topics
 - Bimonthly community of practice for every BCSPi Member staff person
 - Updated templates, guides, and tools to support social procurement implementation
 - Regional coordination to support social procurement integration and collaboration
 - Case studies and videos of social procurement success

Key Messages for Steering Committee Members at UBCM

BCSPI Informal Shout-Outs

- BCSPI is super great value, it's highly affordable and we get training, bespoke support, and tons of other resources to help us get the best value for our communities from the dollars we are spending. We love it and our staff love it too!
- We can't do business as usual and expect different outcomes. Shifting the way we purchase to include social and environmental impact is a powerful way to create alignment between our economic activity and community goals.
- Have you thought about getting more strategic with your spending? Social and sustainable procurement practices can help you get additional value from your existing spending that can contribute to your existing strategic priorities: including social and environmental challenges.
- BCSPI has been a great resource for our organization. They've trained our staff and helped us create new approaches and policies around the way we spend money that can make a real difference to our local economy.

Key Messages from BCSPI Communications Guide

- We work hard to ensure every purchase delivers on community priorities. That's why we're implementing social procurement, a practice that leverages supply chains and purchasing to amplify benefits to our community.
 - **Supporting point:** We're committed to making the money we spend go further by working towards social and community outcomes.
- How we purchase matters. We're working to align our purchasing to achieve social and environmental community outcomes.
 - **Supporting point:** Purchasing decisions enable the re-circulation of money in the local economy creating a cascading effect of impact. Learn more about how we're amplifying benefits in our community.
- We're working to deliver impact through our purchasing decisions. Implementing social procurement helps us benefit people, planet, and community.
 - **Supporting point:** Social procurement is a critical tool to reach our goals. (provide link to BCSPI case studies or other examples at www.bcspi.ca).