

DATE OF MEETING NOVEMBER 20, 2024  
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SUBJECT **SUSTAINABLE PROCUREMENT UPDATE**

## **OVERVIEW**

### **Purpose of Report:**

To provide information regarding Sustainable Procurement for the period 2023-JUL-01 to 2024-JUN-30.

## **BACKGROUND**

In 2019, Council requested staff commence work on sustainable procurement, including social, environmental and ethical priorities. In 2020, work commenced on this project with the hiring of Tim Reeve Consulting Inc., culminating in the development of the Sustainable Procurement Policy, which provided staff the mandate to follow through on integrating the City's values on sustainability into procurement decisions.

The project involved high levels of engagement and collaboration, ensuring that representatives across the City departments had an opportunity to contribute to project deliverables. The project was broken into three (3) phases:

Phase 1 (June – August 2020) deliverables included a Program Benchmarking Assessment, a Sustainable Procurement Action Plan program development, identification of five (5) success stories as well as a list of High Impact Procurement Opportunities (HIPO's).

Phase 2 (September - December 2020) deliverables were creating a stand-alone Sustainable Procurement Policy, capitalizing on quick wins through the HIPO list, development of a Sustainable Procurement Toolkit, identifying measures for program evaluation and the beginning of a program of communication and training.

Phase 3 (2021) was the official launch of the new Sustainable Procurement Policy and the rollout of the Action Plan to ensure that City preceded on a two-track process of deliberately building the tools, updating procedures, setting up tracking systems and continued training.

The Action Plan goals were:

- G1 Program: Build out all 10 elements of a best practice program
- G2 Activity: Meaningfully and regularly incorporate sustainability into procurement decision-making
- G3 Impact: Improve positive environmental, social and ethical impacts as a result of procurement activities.

At the 2021-FEB-01 Council meeting, Council approved the City's Sustainable Procurement Policy (COU-210) with an effective date of 2021-JUL-01 (Attachment A). This policy, as stated in

the deliverables, was designed to advance Sustainable priorities and to pursue contracts with vendors who show initiative and/or proven advancement in environmental, social and ethical matters that align with the City’s strategic 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 from the 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 allows 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 Council’s Strategic Plan and City 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.

At the 2022-SEP-21 Special Council meeting, Staff presented the first annual sustainable procurement update to Council.

2021 – 2022 Key Performance Indicators (KPI’s) were:

<b>Key Performance Indicators &amp; Annual Report</b>		<b>Results from period 2021 July 1 to 2022 June 30</b>
<b>Process KPIs:</b>		
Process indicators measure if Nanaimo is actively using sustainability criteria to impact its procurement decisions. This type of measure indicates to what extent procedures, resources, and knowledge are being used to effectively apply Policy directives. Process Indicators are critical to the early stages of a program, and it is common practice to focus on these in the first year of implementation.		
1	Number of employees who attended at least 1 BCSPi webinar, CCSPI peer exchange, or internal procurement 101 session.	6
2	Number of bids issued to market that included mandatory or desirable sustainability criteria.	16
3	Number of bidders who responded to the RfX with sustainability criteria.	56
4	Number of bidders who responded to the sustainable criteria in the RfX.	46
5	Average weighting allocated to sustainability criteria in competitive bids.	7.22
6	Number of draft bids where feedback was solicited and # of vendors who responded.	0

2022 – 2023 Key Performance Indicators (KPI's) were:

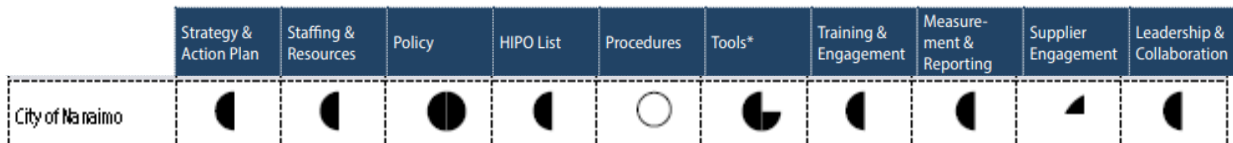
Key Performance Indicators & Annual Report		Results from period 2022 July 1 to 2023 June 30
<b>Process KPIs:</b>		
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1	Number of employees who attended at least 1 BCSPi webinar, CCSPi peer exchange, or internal procurement 101 session.	3
2	Number of bids issued to market that included mandatory or desirable sustainability criteria.	9
3	Number of bidders who responded to the RfX with sustainability criteria.	34
4	Number of bidders who responded to the sustainable criteria in the RfX.	31
5	Average weighting allocated to sustainability criteria in competitive bids.	9.44
6	Number of draft bids where feedback was solicited and # of vendors who responded.	0

## DISCUSSION

The City participates in the CCSP Annual Benchmarking exercise to evaluate progress. The 2023 Annual Report entitled 'The State of Sustainable Public Procurement in Canada' showcases sustainable strides made by organizations including the City of Nanaimo. In 2023 the CCSP completed a major revamp to the Questionnaire used to conduct the Benchmarking Assessments which had a negative impact on the City of Nanaimo Moon Rating.

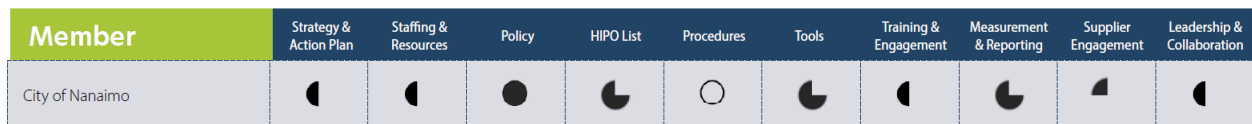
### CCSP 2021 Annual Report

## Member Benchmarking Results











### CCSP 2022 Annual Report

## Benchmarking Results



CCSP 2023 Annual Report

**Benchmarking Results**

Member	Strategy & Action Plan	Staffing & Resources	Policies	Procedures	Tools	HIPO List	Training & Engagement	Measurement & Reporting	Supplier Engagement	Leadership & Collaboration
City of Nanaimo										

As above, the City has made one small improvement to the City’s program which was to commence documenting procedures however with the evolution to CCSPs reporting requirements, the City did regress in the overall standings. The CCSP Annual Report entitled ‘*The State of Sustainable Public Procurement in Canada*’ is included as Attachment B.

Leveraging the designed Sustainable Procurement Toolkit, Procurement has continued to pursue public opportunities that consider the sustainability impacts of goods and services in sourcing strategies to identify likely environmental, social, or ethical issues related to a given procurement.

Using the specific good or service and the specific RFx template, the most relevant desired or mandatory sustainability requirements are integrated into competitive bid specifications, solicitation documents, and selection processes. Where applicable, sustainability is included as part of evaluation processes, alongside other criteria like price, quality, and service, for which weighting is determined case by case.

Process Key Performance Indicators (KPI’s) measure if the City is actively using sustainability criteria to impact its procurement decisions.

Outcome KPI’s measure:

- the environmental and social impacts that result from incorporating sustainability into procurements.
- the extent to which the use of sustainability criteria in the selection of products and vendors results in improved outcomes, such as using less energy, consuming fewer resources, reducing GHG emissions, creating less waste, or creating social value such as creating local jobs and working with diverse suppliers.

Asset Recovery KPI’s have been added to the Information Report to highlight the Supply Chain Management work that supports Circular Economy. Assets include end of life Fleet vehicles and equipment, other end of life City assets, and RCMP unclaimed exhibits. A few items are repurposed within City Departments and the rest are advertised for purchase on the Provincial BC Auction website with the funds recovered coming back to the City.

A summary of all of the above (Process KPIs, Outcome KPI’s, and Asset Recovery KPIs) for this reporting period is listed in Attachment C.

## **NEXT STEPS**

Staff will continue to take a measured and practical approach, seeking to advance the Sustainable Procurement Policy. To ensure progress is maintained, staff will:

- Continue to engage the Working Group;
- Refine the Tools to guide implementation of sustainability into various procurement activities;
- Develop specific Standard Operating Procedures;
- 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;
- Engage and train staff; and
- Provide annual reporting to Council on the status of process made in respect to sustainable procurement.

Going forward this annual report will be adjusted to report on a calendar year to match fiscal reporting.

## **SUMMARY POINTS**

- At the 2021-FEB-01 Council meeting, Council approved the City's Sustainable Procurement Policy (COU-210) with an effective date of 2021-JUL-01.
- KPI's have been compiled and attached for this reporting period.
- Staff will continue to pursue sustainability and provide information to Council on an annual basis. |

## **ATTACHMENTS**

Attachment A – Sustainable Procurement Policy (COU-210)

Attachment B – The State of Sustainable Procurement in Canada

Attachment C – Sustainable Procurement Update– Summary of RFX Documents

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