



COUNCIL REPORT

Meeting Date: September 14, 2021

Subject: Social Procurement (Supply Chain Management)

APPROVALS:

Jamie Doyle

Director

Chief Administrative Officer

Recommended Motion:

THAT Policy FIN-100 be repealed and replaced with Procurement Policy SCM-100, as included in Attachment 2.

Summary:

On July 6, 2021, Administration presented a progress update to Council with respect to implementing a social procurement program at the Regional Municipality of Wood Buffalo (Municipality). At this meeting, Administration brought forward a recommended motion for Council's consideration:

"THAT Administration continue to engage locally, including but not limited to, the Fort McMurray Construction Association, the Fort McMurray Chamber of Commerce, and the Northeastern Alberta Aboriginal Business Association, to assist in the development of a social procurement program, including the processes and policies, questionnaire, and other related criteria, in advance of any policy amendments being provided to Council for consideration; and

"THAT Administration be directed to bring forward a Council Procurement Policy inclusive of Social Procurement with a target date of Q1 2022."

Council approved the recommended motions in substance but chose setting a target date for Administration returning to Council on September 1, 2021 rather than Q1 of 2022.

In response, Administration is preparing this report for Council.

Background:

Incorporating social procurement practices into the Municipality's processes for procuring goods and services will allow the Municipality to evaluate the social value that a vendor contributes to our Region rather than limiting its evaluation of a bid for goods or services to factors that are traditionally considered when evaluating economic

benefit, such as pricing, previous experience, and modes of delivery. Social procurement allows the Municipality to spend the money already allocated in its annual Capital and Operating budgets in a way that promotes and encourages greater social benefits for the Region. It recognizes that every purchase has an economic, social, and environmental impact and through the implementation of this program, the Municipality is afforded the opportunity to intentionally create community benefits.

Social Procurement Program Engagement:

Administration, with the support of Buy Social Canada, conducted public engagements about the implementation of a social procurement program during July and August 2021. Independent engagement sessions were held with representatives from the Fort McMurray Construction Association, the Fort McMurray Chamber of Commerce, the Consulting Engineers of Alberta of Wood Buffalo, the Northeastern Alberta Aboriginal Business Association, the Oil Sands Community Alliance, and FUSE Social. One (1) public meeting was hosted in addition to two (2) open engagement sessions with Indigenous communities and businesses. Administration also held two (2) one-to-one meetings and received one (1) survey response submitted via Participate Wood Buffalo. In total, 89 individuals, representing a wide array of stakeholders, participated in the engagement process.

This engagement was overwhelmingly in support of further refinement of the social procurement program at the Municipality and the proposed implementation strategy. The objectives of economic development and business diversity, supply chain practices, skill development, and inclusive hiring were deemed relevant and important in advancing the program. There was interest in the proposed Community Benefit Agreement work scheduled for the fall of 2021 and several of the stakeholder organizations offered support in the adoption of the program, specifically in areas such as training, building awareness, and mentoring.

Engagement regarding the social procurement program will be on-going and future engagements will be conducted to gather feedback about the program implementation as well as to advance the inclusion of a Community Benefit Agreement in infrastructure and development-specific procurements.

Implementation Strategy:

An implementation strategy has been developed to guide the successful adoption of a social procurement program at the Municipality. This strategy includes detailed plans for communication, internal and external training, on-going engagement initiatives, and other necessary considerations to support the program.

In a commitment to continuously improve this program, Administration will be establishing a multi-stakeholder Social Procurement Working Group, which will provide an opportunity for on-going communication, feedback, and modifications to the program, if required.

Council Policy Amendments:

Administration is recommending changes to the Procurement Council Policy (SCM-100) to support the adoption of the social procurement program. Attachment 1 highlights the substance of these proposed changes.

Administrative Procedure Amendments and Social Procurement Protocol:

Administration has conducted a review of other Canadian municipalities and businesses regarding their approach to implementing social procurement. Utilizing this research and engagement results, Administration has amended the Supply Chain Management Administrative Procedure (FIN-190) to include the implementation of the program in the event that Council approves the proposed policy amendments.

Administration has also developed a Social Procurement Protocol to support municipal staff who are responsible for and involved with procurements. The purpose of this protocol is to present an overview of the program, provide guidelines on the evaluation criteria and rating criteria for the program, and define the roles and responsibilities necessary to support the program.

Administration intends to include social procurement evaluation criteria in a number of Request for Proposals and Request for Quotations in Q4 2021. These will be evaluated through the inclusion of a Social Procurement Questionnaire in relevant solicitation documents.

Budget/Financial Implications:

The budgetary impact of fully implementing a social procurement program has yet to be thoroughly determined and Administration will be mindful of this as they continue development of the program.

To implement the social procurement program as presented today, 1/3 of a full-time equivalent procurement resource will be required and an external consultant will be retained to provide on-going support in implementing the program. These expenditures will be considered in the 2022 budget submission.

Rationale for Recommendation:

Council's adoption of the amended Procurement Council Policy (SCM-100) will empower Administration to incorporate social procurement strategies into its procurement practices as outlined in the implementation strategy.

As it is understood that there is community support to immediately implement this program, Administration recommends Council approve the amended policy as presented.

Strategic Priorities:

Responsible Government
Regional Economic Development
Rural and Indigenous Communities and Partnerships

Attachments:

- 1. 2021 Procurement Policy SCM-100 (Redline)**
- 2. 2021 Procurement Policy SCM-100**

COUNCIL POLICY



REGIONAL MUNICIPALITY
OF WOOD BUFFALO

Document Name: Procurement Policy

Department Name: ~~Supply Chain Management Corporate and Community Services~~

Document Number: ~~SCM-100 FIN-100~~

Effective Date: ~~September 15, 2021~~
~~February 26, 2019~~

Next Revision Date: ~~September 15, 2024~~
~~February 26, 2022~~

STRATEGIC PLAN LINKAGE

- Strategic Priority 1 – Responsible Government
- ~~Strategic Priority 3 – Regional Economic Development~~
- ~~Strategic Priority 4 – Rural and Indigenous Communities and Partnerships~~

PURPOSE AND OBJECTIVE

Council has authorized the Chief Administrative Officer (CAO) to establish and administer the procurement function in a manner that is in accordance with all applicable laws and regulations. This Policy provides a framework within which the CAO can establish directives and procedures for the procurement function to provide effective stewardship for the Municipality's financial resources.

The following objectives will guide the procurement practices of the Municipality:

- a) conduct ~~a~~ competitive ~~sourcing and~~ bidding processes that ~~maximizes~~ realizes the Best Value for the Municipality and taxpayers in the acquisition of goods, services, and construction;
- b) ensure transparency, ~~and~~ consistency, ~~and while~~ mitigating risk;
- c) ensure procurement processes ~~compliance~~ comply with trade treaty ~~legislation obligations, legislation~~ and public procurement law; and
- d) include opportunities for Social Procurement and Indigenous Procurement.

GENERAL PRINCIPLES

1. Definitions:

- 1.1. The terms used in this Policy have the same meaning as given to them in the *Municipal Government Act*, R.S.A. 2000, c. M-26, as amended, unless noted otherwise for the purposes of this Procurement Policy.

- 1.2. "Annual Budget" means the operating budget and the capital budget adopted by the Council in accordance with the *Municipal Government Act*, R.S.A. 2000, c. M-26. ~~The terms used in this Policy have the same meaning as given to them in the *Municipal Government Act*, R.S.A. 2000, c. M-26, as amended, unless noted otherwise for the purposes of this Procurement Policy.~~
- 1.3. "Best Value" means the optimal combination of total cost, performance, economic, environmental, and social sustainability of goods, services, and construction being offered.
- 1.4. "Delegated Authority" means a person ~~authorized~~ or a position that has been ~~delegated~~ by the CAO to act on the CAO's behalf as an approval authority.
- 1.5. "Indigenous Procurement" means a procurement practice that supports Indigenous entrepreneurship, business and economic development and provides Indigenous business with opportunities to participate in the economy.
- 1.6. "Municipality" means the Regional Municipality of Wood Buffalo.
- 1.7. "Social Procurement" means a procurement practice that seeks to achieve positive social value outcomes such as social, economic, environmental, and cultural benefits.

2. Responsibilities:

2.1. Council to:

- 2.1.1. approve any amendments to this Policy.
- 2.1.2. ~~approve Annual Budget and establish the limits of the CAO's authority.~~

2.2. Chief Administrative Officer (CAO) to:

- 2.2.1. support the implementation of this Policy;
- 2.2.2. support and recommend amendments to this Policy
- 2.2.3. ensure compliance with this Policy.

3. Procurement Practices ~~General Procedures:~~

~~3.1 Council approves Annual Budget and establishes the limits of the CAO's authority:~~

- 3.1. The CAO, or Delegated Authority, ~~may~~ ~~can~~ enter into transactions ~~or~~ to procure goods and services of any dollar value provided that they are within the Annual Budget.
- 3.2. The CAO, or Delegated Authority, ~~can commit and/~~ ~~must~~ ~~establish one or~~ ~~expend funds through an~~ ~~more~~ administrative procedures on procurement- that is or are consistent with this Policy to guide the Municipality's procurement practices.

~~The CAO, or Delegated Authority, can approve amendments to the administrative procedure on procurement where they are in the best interest of the Municipality and are compliant with all relevant procurement laws and regulations.~~

- 3.3. All procurement ~~activities and decisions of the Municipality must be guided by the following principles: All procurement standards, procedures and activities practices~~ must be compliant with the regulations of the Canadian Free Trade Agreement (CFTA), the Comprehensive Economic and Trade Agreement (CETA), the New West Partnership Trade Agreement (NWPTA) and any other ~~legislations which may be enacted with other governmental authorities in the future~~ applicable law.
- 3.4. Procurement practices must ensure fair, open, transparent and consistently applied ~~procurement practices standards~~ for all suppliers of goods, ~~and~~ services ~~and construction~~, wherever possible.
- 3.5. Procurement practices must protect the financial assets of the Municipality through an effective, efficient and flexible system of controls that ensure risks are managed prudently without impairing the Municipality's ability to acquire the ~~best value~~ **Best Value** in the goods, ~~and~~, services ~~and construction~~ that it requires to be successful.
- 3.6. Procurement practices should incorporate due regard to the preservation of the natural environment and the municipal recycling program where practical.
- 3.7. Procurement practices ~~may~~ **should** incorporate processes to encourage positive social outcomes. The emphasis will be on recognizing and rewarding initiatives undertaken by ~~our~~ contractors and suppliers. The purpose is to enable procurement to effectively contribute to the building of a stronger community.

APPROVAL

This Policy was approved by Council. It will be reviewed not later ~~that~~ **than** its next Revision Date to determine its effectiveness and appropriateness. ~~It~~ **and** may be assessed before that time as necessary.

Don Scott, Mayor

Jade Brown, Chief Legislative Officer

Date

Attachment: 1. 2021 Procurement Policy SCM-100 (Redline) (Social Procurement (Supply Chain Management))

SUPPORTING REFERENCES AND POSITION RESPONSIBLE

- Legal References:
- Canadian Free Trade Agreement (CFTA)
 - Comprehensive Economic and Trade Agreement (CETA)
 - New West Partnership Trade Agreement (NWPTA)
 - *Municipal Government Act, R.S.A., 2000, c. M-26*

~~Cross-References: Procurement Standard Operating Procedures (SOPs)~~

Position Responsible: ~~Director, Supply Chain Management~~ ~~Director, Corporate and Community Services~~

COUNCIL POLICY DETAILS AND REVISION HISTORY

Date	Action	Description
September 2021	Revision – Substantive	Update of Policy and inclusion of Social Procurement and Indigenous Procurement

COUNCIL POLICY



REGIONAL MUNICIPALITY
OF WOOD BUFFALO

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Department Name: Supply Chain Management

Document Number: SCM-100

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- a) conduct competitive bidding processes that realizes the Best Value for the Municipality and taxpayers in the acquisition of goods, services, and construction;
- b) ensure transparency and consistency, while mitigating risk;
- c) ensure procurement processes comply with trade treaty obligations, legislation and public procurement law; and
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Position Responsible: Director, Supply Chain Management

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