

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THAT Policy FIN-100 be repealed and replaced with Procurement Policy SCM-100, as included in Attachment 2.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