

Triple Bottom Line Program Continuation

ISSUE

The City of Saskatoon's (City's) [Triple Bottom Line \(TBL\) Policy](#) was enacted in January 2020, with the TBL Framework being developed and implemented over the last two years. The TBL Tool has been used to identify impacts and look for improvements in over 60 projects and reported to City Council 25 times by the end of 2021; the demand for facilitated sessions and TBL support continues. Additionally, inquiries by City Council have requested further work around sustainable procurement, equity reviews of existing programs, and improved quantification of the TBL outcomes. The TBL program did not receive operating funding in the 2022-2023 budget; however, the demand for the work in alignment with the Policy remains. This report outlines a funding solution and work plan for 2022 and 2023 to continue this work.

RECOMMENDATION

That the Standing Policy Committee on Environment, Utilities and Corporate Services recommend to City Council:

1. That \$60,000 from the Integrated Energy Civic Energy Management and Performance Standards for Existing Buildings (P.10034) be directed to the Sustainability Support for the Triple Bottom Line (P.02648.01);
2. That Administration bring the following recommendation to the 2023 budget deliberations for consideration: that \$100,000 from the Renewable Energy Strategy: Solar Admin Review (P.02650.02) be directed to the Sustainability Support for the Triple Bottom Line (P.02648.01);
3. That the TBL workplan as outlined in Appendix 3 be approved (pending funding approval) and that the work scope for P.02650.02 and P.10034 be adjusted as outlined in this report; and
4. That \$165,000 in operating funding to sustain the Triple Bottom Line Program be brought forward to the 2024/2025 Business Plan and Budget Deliberations for consideration.

BACKGROUND

At its meeting on October 22, 2018, City Council resolved:

“That the Administration report back with recommendations about integrating best practices around sustainable procurement into the policy.”

At its meeting on April 6, 2021, the Standing Policy Committee on Environment, Utilities and Corporate Services resolved:

“That the Administration report to the appropriate committee on options for developing a consistent framework to address equity and accessibility to

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City Administered programs in place or in development such as Lead Service Line Replacements, Home Energy Loan Program, Property Tax-Deferral Program for Low Income Seniors, etc."

At its special meeting on June 15, 2021, the Standing Policy Committee on Environment, Utilities and Corporate Services resolved:

"That in follow-up reporting the Administration work to identify the added value and benefits that emerge out of the application of the Triple Bottom Line project."

At the 2022-23 Preliminary Business Plan and Budget meeting the 2022 and 2023 Environmental Health Business Line Capital Budgets were approved including funding for P.02650.02: Renewable Energy Strategy: Solar Admin Review, and P.10034: Integrated Energy Civic Energy Management and Performance Standards for Existing Buildings.

The 2022-2025 Strategic Plan was approved by City Council on January 31, 2022. Triple Bottom Line is reflected in the 2022-2025 Strategic Plan in the following Strategic Priorities and Actions:

1. Reconciliation, Equity, Diversity, and Inclusion includes actions to identify and address systemic racism through improvement of human resources policy, practices, and procedures (page 32).
2. Environmental Sustainability includes the key action to "integrate Triple Bottom Line (TBL) consideration (environmental, social, economic, governance) into decision-making and budgeting processes (page 53).
3. Civic Assets includes a key action to "review existing design standards for civic assets and incorporate improvements that support Triple Bottom Line considerations, including life cycle costing, equity principles, and climate change mitigation and adaptation strategies" (page 61).
4. Procurement and Project Management includes a key action to "continue to advance implementation of the Triple Bottom Line Policy and decision-making tool to support sustainable procurement" (page 65).

CURRENT STATUS

The TBL Policy came into effect on January 1, 2020 and requires that TBL outcomes be considered when making decisions. Throughout 2020 and 2021, the TBL Framework was developed and implemented with over 60 TBL reviews completed as of the end of 2021, 25 of these were reported to City Council, and 57 were facilitated by the TBL Project Manager.

TBL Update and Improvement

Late in 2021, there was an update to the TBL Decision-Making tool to streamline and rename the tool (now called the TBL Improvement Tool). The purpose of the Improvement Tool is to provide guidance for teams to explore sustainability factors and to steer initiatives towards their highest and best use. The changes to the Tool make its application easier and more transparent so that only the "Indicators" receive an impact

rating instead of every single “Success Measure”. Also, all scores were removed. The Improvement Tool is best used to understand and profile the impacts and benefits of individual options and to identify areas where initiatives could be strengthened. Option comparison has been removed from the tool’s function and now occurs outside of the TBL Improvement Tool using additional factors for analysis and decision-making. More information on this update is available as Appendix 1 - Update on the Triple Bottom Line.

Sustainable Procurement

An indicator of TBL is sustainable procurement. The City’s [Purchasing Policy](#) states “the City’s procurement activities will be conducted with consideration of Economic, Environmental and Social Sustainability where practical”. In 2022, Supply Chain Management had funding approved for additional resources to centralize and optimize the City’s procurement process, including working on sustainable procurement. This includes proactive management of the City’s spending to better realize sustainability benefits, in alignment with the TBL and Purchasing policies.

A preliminary best practice review of sustainable procurement is available in Appendix 2 - Sustainable Procurement Best Practice Summary, which can help to guide next steps.

Equity Review of Programs

The [Equity Toolkit](#) is a how-to guide for incorporating equity into projects throughout different phases from inception to implementation. The Equity Toolkit was developed based on best practice research and then strengthened through feedback from community engagement and was presented to Committee in June 2021. The Equity Toolkit has been applied to three projects and continues to be offered in support of other initiatives. An equity review of existing programs remains outstanding.

DISCUSSION/ANALYSIS

Capital Project P2648: Sustainability Support for the Triple Bottom Line funded development and TBL implementation through 2020 and 2021, with some funding remains to support a partial resource over the next two years. TBL support facilitates collaboration between various departments and areas of expertise, where positions come together to work strategically as part of the “bigger picture” within the organization, resulting in increased benefits. However, due to limited funds available in the capital project, this work would be limited in 2022/2023 to facilitating and supporting TBL reviews on new initiatives with little ability to provide additional resources, improve the Decision-Making Tool, review existing programs, or build capacity through outreach.

The importance of TBL is reflected in the *2022-2025 Strategic Plan*. For the Strategic Plan to be successfully executed, adequate resources are required. The guidance and support of the TBL resource will help progress many of the Strategic Goals, Priorities, and Actions to strategically coordinate this work across the City and maximize benefits.

TBL Workplan Overview

In addition to supporting TBL reviews on new initiatives, a comprehensive workplan to progress the TBL strategically has been proposed including the following initiatives:

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1. Support and capacity building for the TBL Framework and Equity Toolkit;
2. Improvements and enhancements to the TBL tools and training, including quantification and reporting of TBL outcomes;
3. In alignment with Supply Chain Management's ongoing work to centralize and optimize the City's procurement, support the development, accountability, and monitoring of sustainable procurement practises to enable the City to use its purchasing power to increase sustainability outcomes;
4. Complete an equity review of existing programs; and
5. Embed the equity toolkit into the TBL process.

More details on the workplan are available in Appendix 3 - Triple Bottom Line Program Workplan.

Impact on P.10034: Integrated Civic Energy Management and Performance Standards for Existing Buildings

A portion of the funding to complete the comprehensive workplan outlined in this report is proposed through the redirection of \$60,000 in capital funds from the Integrated Civic Energy Management and Performance Standards in 2022.

The performance standards phase of the project was designed to pilot BOMA Best (Building Owners and Managers' Association - Building Environmental Standards) in two buildings in each of 2022 and 2023, for a total of four buildings. This proposal reduces the capital funding by 11% (for staff time) and will result in one less building being certified. Due to delays in hiring, it is unlikely that two buildings would have been completed in 2022, as the Project Manager is expected to be hired in 2023.

The goal of this pilot is to understand the gap between current practices and the performance improvements required to be compliant with BOMA Best's 16 operational Best Practices that must be completed prior to the certification of any one building. This can be accomplished with three buildings as well as it would be with four, meaning the overall outcome for the pilot is maintained. The pilot will inform a future budget request to certify all City buildings to BOMA Best standards.

Impact on P.02650.02: Renewable Energy Strategy

The remainder of the funding (\$100,000) to complete the TBL comprehensive workplan outlined in this report is proposed through the redirection of capital funds from the Renewable Energy Strategy: Solar Admin Review in 2023.

The Renewable Energy Strategy: Solar Admin funding was approved to complete an administrative review of the solar permitting process. The approved scope of work includes two phases: a review, engagement, and recommendations phase; and a design and implementation phase. This proposal reduces the capital funding by 53%, which would allow only the first phase to take place.

The adjusted work-scope for the Renewable Energy Strategy proposes limiting the work to Phase 1: Review, engagement, and recommendations, and bring recommendations

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for next steps and resource requirements for consideration in the 2024-2025 budget deliberations.

This reduction in scope is recommended at this time as the full scope of Solar Admin improvements required is unknown and will be determined as part of the Phase 1 work. Furthermore, Phase 1 and 2 may not require the full \$100,000 budget originally requested, and some work may instead be implemented as part of regular process improvements.

Refer to Table 1 for a comparison of current and reduced scopes.

Table 1. Capital Project Scope

Project	Approved Current Scope	Proposed Reduced Scope
<p>P.10034: Integrated Energy Civic Energy Management and Performance Standards for Existing Buildings</p>	<ul style="list-style-type: none"> • Integrated energy management plan. • Appliance Inventory and Replacement Plan. • Energy Management Training and Education Program Development. • Researching, internal consultation, and piloting BOMA Best in two civic buildings in 2022 and two additional buildings in 2023. • Monitoring outcomes of the pilot to understand the gap between current practices and the performance improvements required to be compliant with BOMA Best’s 16 operational Best Practices. • Preparing a recommendation and options for management of civic facilities after the pilot. Operating funding is expected to be included in the future recommendations. 	<ul style="list-style-type: none"> • Integrated energy management plan. • Appliance Inventory and Replacement Plan. • Energy Management Training and Education Program Development. • Researching, internal consultation, and piloting BOMA Best one civic building in 2022 and two additional buildings in 2023. • Monitoring outcomes of the pilot to understand the gap between current practices and the performance improvements required to be compliant with BOMA Best’s 16 operational Best Practices. • Preparing a recommendation and options for management of civic facilities after the pilot. Operating funding is expected to be included in the future recommendations.
<p><u>P.02650.02: Renewable Energy Strategy – Solar Admin Review</u></p>	<ul style="list-style-type: none"> • Review the administrative processes required to complete solar PV installation on private property to identify opportunities for improvement. • Engagement with key stakeholders and customers 	<ul style="list-style-type: none"> • Review the administrative processes required to complete solar PV installation on private property to identify opportunities for improvement. • Engagement with key stakeholders and customers

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	<p>directly impacted to understand current challenges and barriers.</p> <ul style="list-style-type: none"> • Recommendations for barrier reduction. • Design a simplified procedures and tools to complement the streamlined processes and guide customers through administration process. 	<p>directly impacted to understand current challenges and barriers.</p> <ul style="list-style-type: none"> • Recommendations for barrier reduction.
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Comparison of Recommendation and Current Status

The advantages and disadvantages of proceeding with the proposed TBL work plan, compared to the basic work scope that can be carried out with the remaining capital funding are outlined in Table 2 below.

Table 2. Advantages and Disadvantages

	Recommendation to Proceed with Revised TBL Work Plan with Additional Capital Funding	Basic Work Scope with Remaining Capital Funding Only
Advantages	<ul style="list-style-type: none"> • Continue supporting the City in meeting the TBL policy. • More resources to improve the TBL framework, do additional outreach, and build capacity. • Help improve the sustainability performance of our purchases by supporting Supply Chain Management to implement best practises on sustainable procurement. • Embed an equity framework into the TBL therefore increasing equity and opportunity success measures in City initiatives. • Review the equity of existing programs by applying an equity lens. • Respond to EUCS resolutions on equity, procurement, and quantification of TBL benefits. 	<ul style="list-style-type: none"> • Does not require additional funding. • A part-time resource can continue to provide support on completing TBL assessments until the end of 2023. • Sustainable procurement is already included in the City’s Procurement and Triple Bottom Line Policies and work is occurring by Supply Chain Management.

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Disadvantages	<ul style="list-style-type: none">• Requires diversion of capital funds from other projects, reducing their scope of work.• Temporary staff will be hired for the program increasing the risk of disruption by staff turnover compared to a sustained operational approach.	<ul style="list-style-type: none">• Less time available to support the City in meeting the TBL policy and improve the TBL framework; no additional outreach or capacity building.• There will be a delay in embedding the Equity Toolkit into TBL.• Will be unable to respond to EUCS resolutions on equity and quantifying benefits.• Less support available on sustainable procurement.
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Rationale

Reallocation of funds from the Integrated Civic Energy Management and Performance Standards for Existing Buildings and the Renewable Energy Strategy: Solar Admin Review to fund the Triple Bottom Line Workplan in 2022 and 2023 is recommended because:

- The main outcome of the Civic Energy Management and Performance Standards for Existing Buildings Project can be maintained by piloting Boma Best Standards in three buildings instead of four;
- The Solar Admin Review next steps are unknown at this time and require a review to understand what process improvements are required, and how much they will cost. Once understood, steps can be phased according to funding available; and
- The workplan for Triple Bottom Line is a high priority for the City based on its alignment with the Strategic Plan, the expectations through the TBL Policy, and the outstanding resolutions that require further work. Without the additional funding only a minor portion of this work can be accomplished.

FINANCIAL IMPLICATIONS

\$260,000 in capital funding was allocated to P2648: Sustainability Support for Triple Bottom Line in the 2020-2021 Business Plan and Budget; these funds were used to develop the TBL framework and support TBL assessments in 2020 and 2021. There is \$103,000 remaining at the end of 2021 that can support a partial resource (less than half-time) to continue supporting and facilitating triple bottom line assessments in 2022-2023 for the organization.

To achieve the additional outcomes outlined in the TBL Work Plan, additional funding is required, which is proposed through the reallocation of capital funds from P.10034: Integrated Energy Civic Energy Management and Performance Standards for Existing Buildings (\$60,000) and P.02650.02: Renewable Energy Strategy: Solar Admin Review (\$100,000). The capital reallocation plan in Table 3 outlines the adjustments proposed:

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Table 3: Capital Reallocation Plan – (less)

Project	Approved Budget (2022)	Approved Budget (2023)	Approved Budget Total	Revised Budget (2022)	Revised Budget (2023)	Revised Budget Total	Difference Total
P.2648.01: Support for Triple Bottom Line	\$0	\$0	\$0	\$60,000	\$100,000	\$160,000	\$160,000
P.10034: Integrated Energy Civic Energy Management	\$245,000	\$290,000	\$535,000	\$185,000	\$290,000	\$475,000	(\$60,000)
P.02650.02: Renewable Energy Strategy	\$90,000	\$100,000	\$190,000	\$90,000	\$0	\$90,000	(\$100,000)

A Service Level Adjustment request will be included in the 2024-2025 Business Plan and Budget Deliberations for City Council's consideration to provide sustainable funds to support Triple Bottom Line throughout the corporation.

OTHER IMPLICATIONS

The recommendation in this report includes expansion and development of sustainable procurement and equity tools across the corporation.

NEXT STEPS

Following the approval of this report, the Administration will begin implementing the work plan outlined in Appendix 3. If funding is not approved, The Administration will continue supporting the Triple Bottom Line Policy with a part-time resource.

APPENDICES

1. Update on the Triple Bottom Line
2. Sustainable Procurement Best Practice Summary
3. Triple Bottom Line Program Workplan

Report Approval

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