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## Social and Indigenous Procurement Update

### Recommendation

That the report of the Chief Financial Officer dated May 13, 2019, be forwarded to City Council for information.

### Topic and Purpose

The purpose of this report is to provide an update regarding social and Indigenous procurement engagement activities, and the inclusion of Indigenous procurement evaluation criteria in the City of Saskatoon's (City) best value procurements.

### Report Highlights

1. As part of the procurement review, implementation of a new purchasing policy aimed at best value procurement, the Administration conducted an Indigenous Procurement Workshop.
2. The Administration has developed a guiding document, Indigenous Procurement Protocol and Specifications, to support City staff who are responsible for procurement.
3. City staff will endeavor to purchase goods and services that have positive environmental and social attributes by considering environmental and social factors in the procurement planning process.

### Strategic Goals

Under the Strategic Goal of Continuous Improvement, this report supports the long-term strategies of increasing productivity by being more efficient in the way the City does business, and ensuring the City's approach to citizen and stakeholder communications is integrated, proactive and professional.

This report also supports the long-term strategy of creating a business-friendly environment where the economy is diverse and builds on the city and region's competitive strengths under the Strategic Goal of Economic Diversity and Prosperity.

### Background

At its January 29, 2018 meeting, when considering a report from the City Solicitor's Office regarding the City's new procurement policy, City Council resolved, in part:

- "2. That the Administration consult with local stakeholders to identify areas where the City could use leading procurement processes to bolster social and environmental impact, and Aboriginal inclusion, and report back on the results of that consultation."

### Report

Section 10 of the City's new purchasing policy states:

"The City will procure Goods and Services, and promote and participate in viable Procurement opportunities with Diverse Suppliers and Indigenous Suppliers. Divisions should consider the role of Diverse Suppliers and Indigenous Suppliers within Saskatchewan when conducting Procurement activities."

The new purchasing policy allows for a broad spectrum of criteria to be included in the City's economic, environmental, and social sustainability procurement practices.

### Indigenous Procurement Engagement

As part of the general procurement review, feedback regarding social and Indigenous procurement was requested from external stakeholders. The project team designed a public engagement event focused on convening stakeholders to understand their experiences, ideas, and lessons learned in working with and developing Indigenous procurement procedures. Attachment 1 provides the detailed methodology and results from this workshop. Drawing on the insights from both previous research and the public engagement results, the Administration has developed Indigenous Procurement Protocol and Specifications (Attachment 2).

In addition to incorporating the results into the new protocol, other significant benefits identified during this engagement process include:

- Increased trust and relationship building with key stakeholders. Participants urged the City to continue building inclusive relationships, listening respectfully, collaborating with suppliers, leading by example internally, and empowering Indigenous employees to provide leadership in this area.
- Allowing both parties to enter an ongoing conversation at an early enough stage to provide meaningful input the process.
- Explore mutually beneficial options and solutions to increase Indigenous participation in the City's procurement process.
- Recognition of the importance of tangible commitments and targets, and the value of tracking these and ensuring accountability over time.
- Acknowledgement that the City is leading the way in the incorporation of Indigenous procurement practices. Participants encouraged the City to provide leadership to neighbouring municipalities (particularly those that are part of the Partnership for Growth) which have not yet started this journey. They also suggested sharing learning and best practices with other Saskatchewan municipalities.

### Indigenous Procurement Protocol and Specifications

The Administration conducted a review of other Canadian municipalities and businesses regarding their approach to social and Indigenous procurement. Indigenous procurement remains an emerging trend in public sector procurement within Canada, and there is significant opportunity for learning and innovation.

Utilizing research and engagement results, the Administration developed Indigenous Procurement Protocol and Specifications to support City staff who are responsible for procurement. The purpose of the protocol is to provide guidelines, establish roles and responsibilities, and support the goal of the City's workforce being representative of our population.

The Administration included Indigenous procurement evaluation criteria in several Request for Proposals (RFP) in early 2019, and will continue to monitor early feedback for program revisions and continuous improvement.

Some vendors have expressed concerns over the inclusion of Indigenous participation evaluation criteria in the City's RFPs, and their preliminary feedback has been used to refine the corporation's Indigenous Procurement Protocol and Specifications and evaluation criteria. However, early results have shown existing suppliers have Indigenous labour within their workforce, established Indigenous participation and Indigenous community development strategies. This demonstrated a positive trend towards Indigenous procurement within the City's existing spend.

The Administration will continue to review the City's overall spend to identify opportunities to support social and Indigenous procurement. There will be a focus on continuous improvement with flexible strategies to ensure concerns, priorities and trends of social economic groups are taken into account. The Administration will continue to consult with internal/external stakeholders to advance initiatives as outlined in the Indigenous Procurement Protocol and Specifications.

### Social Procurement

The purpose of social procurement is to strategically leverage the City's existing purchasing power to achieve greater social benefits and returns for citizens and taxpayers. While social procurement offers significant potential for community benefit, this commitment also adds layers of complexity to the core tenets of public procurement, which requires governments to:

- achieve best value for money;
- secure high-quality goods and services;
- follow ethical and transparent purchasing practices; and
- ensure compliance with legislative requirements and trade agreements.

The City's Non-Standard Procurements Protocol includes exceptions for the procurement of goods and/or services from a public body, philanthropic institution, prison labour, persons with disabilities and non-profit organizations.

Section 9 of the City's purchasing policy states: "Procurement activities will be conducted with consideration of economic, environmental, and social sustainability where practical."

Economic, environmental, and social sustainability will be supported by incorporating specifications, performance requirements, and evaluation criteria in the City's procurements.

### **Public and/or Stakeholder Involvement**

Attachment 1 provides detailed methodology and findings of the public engagement process. Engagement on the City's procurement will be ongoing and future engagements will be conducted through facilitated roundtable discussions designed to capture stakeholder specific feedback and opportunities.

### **Communication Plan**

As part of the engagement plan, a detailed communications plan was developed. The results of the engagement workshop were disseminated to participants for feedback or additional comments. Supplementary information received during this process was included as part of the final report.

The Indigenous Procurement Protocol and Specifications will be included in the City's Procurement Manual and posted on the City's website under "Doing Business with the City." The Communications and Public Engagement Division will continue to support and facilitate future roundtable discussions with external stakeholders.

### **Policy Implications**

The information is in accordance with Council Policy C02-045.

### **Due Date for Follow-up and/or Project Completion**

The Administration will report back to City Council in early 2020 with an update on program effectiveness on the City's Indigenous Procurement Protocol and Specifications.

### **Public Notice**

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

### **Attachments**

1. Indigenous Procurement Workshop – What We Heard Report, dated October 22, 2018
2. Indigenous Procurement Protocol and Specifications

**Report Approval**

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