

# Sustainable Procurement Strategy

## Mandate

On May 6, 2020 Council endorsed a *Sustainable Procurement Framework* which committed the City “using procurement processes to generate social, economic and environmental value through public spending on goods, services and construction”. This will be achieved by incorporating environmental, social and ethical considerations into the City’s procurement processes.

The City remains committed to the fiscally responsible purchase of goods and services through a process that is fair, competitive, transparent, accountable and consistent with the City’s obligations under trade agreements and legislation.

## Principles

Without compromising the City’s core commitments to fiscally responsible procurement and to procurement processes that are fair, competitive, transparent, accountable and consistent with legal obligations, the City will use its purchasing power to:

- 1) **protect the environment** by minimizing resources use, reducing waste, maximizing energy efficiency, reducing greenhouse gas emissions, conserving water, improving water quality, reducing the use of hazardous chemicals, preserving and restoring ecosystems, and improve climate resiliency;
- 2) **support community benefits** by supporting diversity, inclusion, and increased opportunity; and
- 3) **ensure high ethical standards** in respect of human rights, labour standards, and workplace safety.

## Benefits

Applying Sustainable Procurement Principles to the City’s purchase of goods and services will reduce environmental and reputational risk and will also increase economic opportunities for residents of Brampton, especially those residents who may face additional social and economic barriers.

All residents of Brampton benefit when **the environment is protected**, climate change is addressed, and innovation is promoted.

By actively supporting diversity, inclusion and increased opportunity **Brampton will strengthen its reputation as a welcoming City** and will continue to enjoy the economic and social benefits of a growing population and an expanding local economy.

By supporting high ethical standards in our procurement Brampton will **avoid both the actual harm and the reputational harm** that occurs when goods and services are supplied by vendors that disregard human rights, labour rights or workplace safety.

## Building on Past Initiatives

The Sustainable Procurement Strategy builds on important initiatives that the City of Brampton has already undertaken:

- In 2020, City Council endorsed the **Supply Chain Diversity Program**. This program increases the access to doing business with the City for businesses that are majority owned, managed and controlled by members of equity-seeking communities and for social purpose enterprises. The goal of the program is to provide equal opportunity to all vendors. The program does *not* provide preferential treatment to diverse suppliers who, like all vendors, must meet the specifications of a quotation request and provide competitive pricing. The program actively encourages City staff to solicit bids from diverse suppliers and provides training to these suppliers on how to properly submit bids and proposals.
- In 2021, the City commenced implementation of its **Sustainable Fleet Strategy** which aims to reduce greenhouse gas tailpipe emissions by 85% from vehicles operated by the City. This includes the corporate fleet, vehicles operated by Fire and Emergency Services and vehicles operated by Brampton Transit.
- In 2019, to ensure high health and safety standards on City projects, Brampton adopted the **Certificate of Recognition (COR™) program** as part of its construction contract management and construction tendering process. COR™ is nationally trademarked and endorsed by Ontario's Infrastructure Health and Safety Association (IHSA) and the Canadian Federation of Construction Safety Associations (CFCSA). COR™ requires contractors to develop and implement a rigorous health and safety management system which must be annually evaluated through comprehensive internal and external audits.
- In 2021, the City established the **Equity Office** to serve our employees and our citizens. The Equity Office works to ensure fair and equitable treatment of all individuals and promote a harmonious environment both inside the City and for its residents.
- To ensure high ethical standards in the administration of procurements, the City of Brampton maintains memberships in **the National Institute of Governmental Purchasing, the Ontario Public Buyers Association and Supply Chain Canada**. The City subscribes to the principles and ethics of these Associations and ensures that their ethical principles govern the conduct of every professional purchaser employed by the City.
- The City's **Vendor Performance Management Program** promotes the City's expectations of a high standard of performance among the City's vendors and strengthens the City's relationship with its vendors. The program improves project outcomes, achieves greater value for money in the delivery of services, and aligns with Council's Well-Run City priority. Currently, the program applies to construction and construction-related consulting contracts, and maintenance and service contracts of \$100,000 and greater.

## Approach

The implementation of the *Sustainable Procurement Strategy* will be guided by:

- the City's obligations under trade agreements and legislation;
- the City's commitments to high ethical standards in administering procurements pursuant to our memberships in professional purchasing organizations;
- the Term of Council Priorities adopted in 2018 and refreshed in 2020;

- the City's *Grow Green Environmental Master Plan*;
- the City's *Community Energy and Emissions Reduction Plan*;
- the *Brampton 2040 Vision: Living the Mosaic*;
- consultations and dialogue with both internal stakeholders and with vendors and community stakeholders;
- due diligence and full consideration of potential implications and costs before recommending to Council specific changes to procurement processes that implement the *Sustainable Procurement Strategy*; and
- the importance of measuring impacts and reporting to Council.

Staff will develop for Council's consideration proposed policies that implement the three principles of sustainable procurement:

- 1) **protecting the environment and addressing climate change**;
- 2) **supporting community benefits** through diversity, inclusion, and increased opportunity; and
- 3) **ensuring high ethical standards** in respect of human rights, labour standards, and workplace safety.

### Short-Term Plan (1-2 Years)

Policies to be proposed for Council's consideration will include:

1. a **Community Benefits Policy** that will apply to construction projects with an initial tendered value of \$5.0 million or more. The policy will encourage construction vendors to support or undertake outreach activities that increase opportunities for Brampton residents and particularly for residents who are members of groups that have been historically under-represented in the construction industry and the apprenticeship system;
2. a **Fair Wage Policy** that will ensure that construction vendors on projects with an initial value of \$500,000 or more pay at least the prevailing wage in the construction industry. The policy will apply to approximately 90% of the value of construction work purchased by the City. The policy will ensure that the City does not inadvertently contract with vendors that pay sub-standard wages or secure an illegitimate competitive advantage by cutting corners on health and safety, misclassifying workers as sub-contractors rather than as employees, or under-investing in apprenticeship and training;
3. **expansion of the Certificate of Recognition (COR™) program** to further encourage our construction vendors to adopt and rigorously implement first-class workplace health and safety policies; and
4. **updating the Purchasing By-Law** to formally operationalize the City's Supplier Diversity Program, the Community Benefits Policy, the Fair Wage Policy, the COR Program and any trade agreements or other legal obligations not currently reflected in the Purchasing By-Law.
5. **inclusion of local economic development criteria within our Request for Proposal process as consideration in the selection of Vendors**

### Medium-Term Plan (2-3 Years)

Policies to be proposed for Council's consideration will include:

1. **Vendor Code of Conduct.** This will be based on a review of current best practices of other municipalities and public sector agencies. The Code of Conduct will address vendor integrity standards, compliance with labour standards, including employment standards, health and safety standards, workforce development, equity policies, anti-harassment policies and, where appropriate, professional and occupational licensure or certification requirements.
2. **Environmental Standards.** In conjunction with the Vendor Code of Conduct, we will develop Environmental Standards for vendors of goods and services to the City. The Environmental Standards consider the life-cycle environmental impacts of products/services, and will align with and support achieving the targets identified in the City's Environmental Master Plan and Community Energy & Emissions Reduction Plan. The Environmental Standards will also define a role for recognized environmental certifications for products.
3. **Supplier Diversity Program:** staff will look to expand the application of the Supplier Diversity Program so that it applies to a broader range of the City's purchases of goods and services.
4. **Evaluation and Accountability:** Staff will propose metrics that will enable Council to monitor the impact of the Sustainable Procurement Strategy and will submit an annual report to Council on the implementation of the Strategy.

### Long-Term Plan (3-5 Years)

Council will be asked approve the creation of a **Sustainable Procurement Office** which will:

- co-ordinate the development of implementation policies,
- manage the implementation of the Supply Chain Diversity Program,
- manage the implementation of the Community Benefits Policy,
- manage the implementation of the Fair Wage Policy,
- coordinate the implementation of such additional Sustainable Procurement Policies as Council may adopt, and
- administration of all Sustainable Procurement Policies.

### Staff Education on Sustainable Procurement Implementation Policies

Following the adoption of a policy to implement any aspect of the Sustainable Procurement Strategy, the Purchasing Division will conduct information sessions with other departments to inform them of the goals of the policy, their role in implementing the policy and how the policy may affect their operations.

### Communication of Sustainable Procurement Implementation Policies to Vendors

The City's web site will describe the implementation policies. As with the Supply Chain Diversity Program, the Purchasing Division will conduct information sessions for vendors on an as needed basis.