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**REPORT TO CAPITAL REGIONAL DISTRICT FINANCE COMMITTEE  
MEETING OF WEDNESDAY, MARCH 03, 2021**

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**SUBJECT     Reconsideration of Coastal Communities Social Procurement Initiative Membership**

**ISSUE SUMMARY**

Reconsideration of membership in the Coastal Communities Social Procurement Initiative (CCSPI), and to seek direction relating to social procurement

**BACKGROUND**

On January 6, 2021 the Finance Committee passed the following motion with notice, brought by Director Helps, co-chair of the CCSPI, and Director Tait:

That staff be directed to report to the Finance committee about the potential for the Capital Regional District to join the Coastal Communities Social Procurement Initiative.

Previously, in February of 2019 the CRD Board considered membership in CCSPI and chose not to join at that time. The prior board report is attached as Appendix A. The Board passed the following motion:

That the CRD not pursue membership in Coastal Communities Social Procurement Initiatives at this time, but revisit the issue if the Board directs staff to pursue asocial procurement strategy.

CCSPI is an unincorporated, consensus-based project of coastal local governments attempting to standardize and promote the use of social procurement to aid public authorities, industry, and equity-seeking vendors. In 2019, CCSPI had yet to demonstrate significant work product. Since then, CCSPI completed templates and standards, vetted by local governments and CCSPI's consultants. Training videos, online content including numerous case studies of coastal projects have been published, from P-Card purchase training to community benefit approaches on larger construction projects, and group training sessions coordinated with governments and industry. Key performance indicators are in development.

The cost of CRD membership for 2021 is \$2,528.20, the equivalent of the CRD's 2021 AVICC dues. Benefits include:

- completed templates for public procurement processes;
- training on P-Card programs relating to "social" small buys;
- three online training modules;
- group training sessions tailored to needs;
- 10 hours of consulting with resource partners (Scale Collaborative for program delivery; Buy Social Canada for social procurement expertise; Presentations Plus for communications and training; and Vancouver Island Construction Association for advice relating to use on larger projects); and

- a members-only website with certain resource articles, project examples of successful social procurement projects in the service area, and the like.

Membership does not:

- impose any obligations to engage in certain procurements, espouse certain values, or work with specific suppliers;
- impose a specific set of guidelines or values on the CRD. CRD will need to determine its own goals, either corporate wide or on a procurement-by-procurement basis;
- require CRD to be lobbied on behalf of specific consultancies or interests. CCSPI represents it is designed for member local governments to work together to implement social procurement programs, not as a place for industry to lobby for specific advances or interests; or
- compel ongoing membership.

The CCSPI requires an elected official representative and a senior CRD staff person to participate in quarterly meetings. It requests a procurement professional attend a regular community of practice to do the hands-on development and review of social procurement materials.

## **ALTERNATIVES**

### *Alternative 1*

The Finance Committee recommends to the Capital Regional District Board:

1. That the Capital Regional District join the Coastal Communities Social Procurement Initiative for the 2021 year, with a membership fee equal to AVICC dues;
2. That staff report back to the Board prior to incorporating CCSPI's preferred social procurement principles into CRD's procurement processes.

### *Alternative 2*

The Finance Committee recommends to the Capital Regional District Board:

1. That the Capital Regional District not pursue membership in the Coastal Communities Social Procurement Initiative at this time but continue to undertake social procurement initiatives when appropriate under the CRD Procurement Policy.

### *Alternative 3*

The Finance Committee recommends to the Capital Regional District Board:

1. That the Capital Regional District not pursue membership in the Coastal Communities Social Procurement Initiative at this time.

## **IMPLICATIONS**

### *Current Procurement at CRD*

CRD currently undertakes purchases and practices that would fall under the "social procurement" definition: buying from local suppliers, non-profits, and social enterprises; planning procurements to ensure diverse suppliers can compete; and direct opportunities to indigenous-controlled businesses and First Nations public authorities. Consistent with its existing policies, CRD is

nearing completion of an approved Initiative Business Case (IBC) relating to ensuring visibility of indigenous-controlled businesses as well as non-profits and social enterprises to purchasing staff, to assist equity-seeking and historically under-represented groups in identifying CRD opportunities.

CRD uses a decentralized procurement model. Staff receive training in processes and procedures, but each department has flexibility to purchase in accordance with the Procurement Policy without coordinating with a centralized procurement department. Though this speeds up procurement and reduces overhead, it may result in difficulty standardizing use of CCPSI-recommended social procurement processes and principles, absent a corporate approach. CRD would need to consider how best to incorporate the CCSPI training and materials into this process. CRD has a limited purchasing function, with a small procurement team for Integrated Water Services' needs, with the remainder conducted by Legal Services-approved templates and oversight.

#### *Financial and Staffing Implications*

Membership for the 2021 year is based on CRD's 2021 AVICC dues, currently set at \$2,528.20. If pursued, it will be funded through a regional requisition within the legislative and general government service. CRD will also incur expenses and costs, to be determined, to resource itself for a broader approach to social procurement as advocated for by CCSPI.

Quarterly Director and staff attendance, as well as assignment of staff to specific project-based work or a community of practice is an additional administrative task for CRD, which uses decentralized procurement. It may have a cost associated with it or may require additional staffing to manage existing workloads. Director attendance may also have a cost associated with it.

CRD will need to conduct a process to identify social procurement values to be considered for future projects, balancing this need with CRD's existing obligations relating to procurement under its decentralized model.

#### *Future of CCSPI*

CCSPI was a two year pilot. It has been extended for another year, continuing its service contract with its vendors. The initiative now services other public sector organizations, such as colleges and universities. Its intent is to continue until the standards and training materials are adopted by all coastal communities.

#### *Legal Implications*

The CCSPI is an unincorporated association governed by an MOU, not a society such as AVICC. Funds are held by the City of Victoria. Its budget and minutes are private and members-only, unlike AVICC which publicly publishes its annual general meeting minutes, annual report, and budget.

Relating to content provided as part of membership, CCSPI does not have a licensing agreement or terms relating to the material produced by its members or shared through the CCSPI website. This presents a slight legal risk to the CRD that, should it choose to leave the CCSPI after the 2021 year, it may no longer be able to work with templates or materials it has on hand. CRD has

been assured by the co-chair and program delivery staff that this will not be an issue, and that members own the content in perpetuity should they download and use it.

**CONCLUSION**

The CCSPI now has significantly more materials available now than when membership was first considered in 2019. The cost of annual membership is low at \$2,528.20, however, it will require devoted staff time to attend meetings and contribute to the work of the initiative. CRD is currently undertaking projects that overlap with some of the goals of CCSPI. If the Board decides a coastal-region social procurement framework is advisable to examine or adopt, over-and-above CRD's current practices, it is recommended CRD join for the 2021 year and proceed to consider IBCs to further social procurement projects.

**RECOMMENDATION**

The Finance Committee recommends to the Capital Regional District Board:

1. That the Capital Regional District join the Coastal Communities Social Procurement Initiative for the 2021 year, with a membership fee equal to AVICC dues;
2. That staff report back to the Board prior to incorporating CCSPI's preferred social procurement principles into CRD's procurement processes.

Submitted by:	Steven N. Carey, B.Sc, J.D., Manager, Legal Services
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/SNC

**ATTACHMENTS**

Appendix A: Staff Report of February 6, 2019