



ADMINISTRATIVE REPORT

Report Date: April 16, 2009
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Meeting Date: May 5, 2009

TO: Vancouver City Council
FROM: Deputy City Manager
SUBJECT: Consulting Contract - Sustainable and Ethical Purchasing Policy (SEPP)
Phase II

RECOMMENDATION

- A. THAT, subject to the conditions set out in Recommendations B, C, and D, Council delegate contract award authority to the City Manager for a contract to supply consulting services for development of Phase II of the Sustainable and Ethical Purchasing Policy (SEPP) up to \$70,000 plus applicable taxes; source of funds to be the approved budget set aside for a temporary Contracting Specialist position in Supply Management as well as the approved Supply Management budget for contract services.
- B. THAT, the Director of Legal Services be authorized to execute and deliver on behalf of the City all legal documents required to implement Recommendation A.
- C. THAT, all such legal documents be on terms and conditions satisfactory to the General Manager of Financial Services, Manager of Supply Management and the Director of Legal Services.
- D. THAT, no legal rights or obligations will be created or arise by Council's adoption of Recommendation A, B or C above unless and until such legal documents are executed and delivered by the Director of Legal Services.

CITY MANAGER'S COMMENTS

The City Manager recommends approval of Recommendations A through D.

COUNCIL POLICY

Consultant agreements exceeding \$30,000 require Council authorization. Contracts are to be awarded on the basis of best overall value for the City.

PURPOSE

The purpose of this report is to recommend that Council:

- Delegate authority to the City Manager to award a contract to supply consulting services for Phase II of the Sustainable and Ethical Purchasing Policy (SEPP).

BACKGROUND

On February 17, 2005 City Council approved the Ethical Purchasing Policy (EPP) for fair trade agricultural products and apparel items as Phase I of the policy. Phase II was “to develop and implement a comprehensive SEPP”. The goal of the SEPP is to ensure that all suppliers to the City meet, at a minimum, the performance standards outlined in the Supplier Code of Conduct (SCC), which includes core labour conventions of the International Labour Organization (ILO). The policy demonstrates a commitment to sustainability by seeking to ensure safe and healthy workplaces for the people who make products or supply services for the City of Vancouver, where human and civil rights are respected.

The next phase of the EPP, as directed by Council, is to develop and implement a comprehensive Sustainable and Ethical Purchasing Policy (SEPP) that will address broader social, economic and environmental issues. To be able to develop the SEPP it is critical to develop and provide clear, concise guidance to City staff for all purchasing activities in a systematic fashion, as well as the necessary tools and methods to make the Policy effective.

This initiative was identified as a key priority in early 2009 by the Mayor’s Greenest City Action Team in the near term. The further development of the SEPP into all areas of City procurements is seen as a key element in making the City of Vancouver a leading edge organization dedicated to the principles of sustainability. Development of the SEPP will support the strategies, initiatives and outcomes identified by the Greenest City Action Team.

DISCUSSION

Consulting Contract - Phase II SEPP

The Manager of Supply Management is required to report back to Council on the development of Phase II the Sustainable and Ethical Purchasing Policy (SEPP).

A Notice of Intent to Contract was issued September 3, 2008 to engage Reeve Consulting to develop the SEPP. This Notice was challenged, so an RFP was developed and issued on October 22nd 2008 and publicly posted on BC Bid until December 9. A cross functional evaluation team reviewed six proposals. Proposals were evaluated based on;

- a) the Proponent’s ability to meet the requirements of the scope of work and the Proponent’s ability to deliver the requirements when and where required;
- b) proven experience in delivering a similar scope of work;
- c) the Proponent’s financial offer;
- d) compliance with all City insurance requirements;

- e) The Proponent's business and technical reputation and capabilities; experience and where applicable, the experience of its personnel; financial stability; track record; and references of current and former customers;
- f) Project approach and methodology;
- g) Quality of submission;
- h) Acceptability of any deviations or variations proposed by the proponent

The evaluation team conducted a complete review of all proposals and interviewed the top three proponents. The evaluation team recommends that the best value proposition was from Reeve Consulting.

In order to ensure a seamless transition from the previous research and development of the Sustainable and Ethical Purchasing Policy to the broader scope of the SEPP (Phase 2), staff recommends that Reeve Consulting be retained to provide;

- Analysis of existing sustainable purchasing policies and practices
- Determine market readiness for further commodities/services that could become part of the SEPP
- Stakeholder consultation
- Develop evaluation criteria/legal review
- Draft policy and implementation framework
- Provide training to staff in the application of the proposed SEPP

This methodology and approach will focus on engagement of an acknowledged expert in the area of sustainable procurement with a longer term view of having existing staff gain the required knowledge and expertise in this area and incorporating this expertise into the normal evaluation of City of Vancouver procurements.

FINANCIAL IMPLICATIONS

On September 7, 2006 Council approved a report to re-instate a full time Contracting Specialist position to assist in the development and implementation of the SEPP. In July of 2007 the contracting specialist left the City and to this date has not been replaced due to the difficulty in finding qualified personnel to fill this temporary role.

The maximum cost of the consultancy is \$70,000 plus applicable taxes. It is recommended that a Professional Services Agreement be entered into with Reeve Consulting; source of funding to be the budget set aside for the temporary Contracting Specialist (Sustainability) position in conjunction with existing budget allocated for contract services.

CONCLUSION

Staff recommends that Council award a contract to Reeve Consulting to develop and implement a comprehensive Sustainable and Ethical Purchasing Policy that incorporates broader environmental and social objectives as Phase II.

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