

September xx, 2023

Hon. Anne Kang
Minister of Municipal Affairs
Room 028 Parliament Buildings
Victoria, BC V8V 1X4

Dear Minister Kang,

We are writing in response to Assistant Deputy Minister Tara Faganello's letter of June 22 to request a further meeting to discuss the future of the British Columbia Social Procurement Initiative (BCSPI).

We note that ADM Faganello's letter indicated that the Ministry of Municipal Affairs does not have a program that can support our request for funding to continue the Initiative. However, BCSPI is created and operated by and for local governments, with its administrative and financial processes housed within one of the member organizations (City of Victoria). Because of this, we feel that the Initiative is well aligned with the mandate of Municipal Affairs and should be eligible for funding from your ministry.

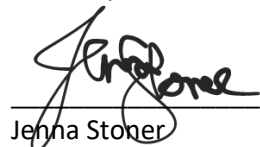
Whilst we fully appreciate that the Ministry of Citizen's Services is responsible for advancing social and sustainable procurement within the Government's own purchasing activities, we would like to clarify that BCSPI represents the only operational tool available to B.C.'s municipalities and regional districts that links local government spending to building vibrant and healthy communities and gives them the tools, skills, and support needed to utilize social and sustainable procurement practices.

We also appreciate the suggestion to pursue development of a model where BCSPI can become financially self-sustaining. We have explored this avenue but, whilst existing membership fees account for 40% of the Initiative's delivery cost, a completely fee-based approach is not feasible because many of B.C.'s smaller local governments would not be able to participate if membership fees were increased.

BCSPI provides essential capacity building and learning for B.C.'s municipalities and regional districts which directly supports building vibrant and healthy communities that are liveable, safe, economically resilient, and socially and environmentally responsible. We've experienced first-hand the shift that social and sustainable procurement can make in our communities, and this initiative is a critical opportunity to empower B.C.'s municipalities to grow their internal capacity and make their budgets go further.

We hope that this letter, accompanying signatures, and updated proposal will further clarify that BCSPI represents an initiative which provides essential services for many of B.C.'s municipalities and regional districts, and we appreciate your consideration of helping to ensure these services remain available.

Sincerely,



Jenna Stoner
Councillor, District of Squamish
Co-Chair, BCSPI



Vickey Brown
Mayor, Village of Cumberland
Co-Chair, BCSPI

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British Columbia Social Procurement Initiative (BCSPI) - Funding Proposal

The British Columbia Social Procurement Initiative (BCSPI) is seeking funding to continue service delivery for the next 3-5 years. BCSPI is a learning program for municipalities and regional districts across B.C. It represents the only program available to B.C.'s municipalities and regional districts that links local government spending to building vibrant and healthy communities that are liveable, safe, economically resilient, and socially and environmentally responsible.

Overview

Founded in 2019, the British Columbia Social Procurement Initiative is a B.C.-grown, internationally recognized learning program that supports municipalities and regional districts across B.C. to implement social and sustainable procurement practices.

As a result of funding received in March 2021 from the Ministry of Municipal Affairs, BCSPI successfully expanded from a Vancouver-Island based pilot project to a province-wide initiative.

To-date:

- BCSPI members have included social value in more than \$700M of public sector spending. A significant return on investment from the Ministry's initial funding of \$500,000
- Membership has expanded to over 40 organizations across the Province
- Nearly 2000 individuals have been trained, adding significant capacity for local governments
- Social and sustainable value considerations have been incorporated in more than 1000 purchasing projects from goods and services purchasing to construction and infrastructure

Social and sustainable procurement directly supports the social, economic and climate goals of local governments. It helps strengthen local economies, supports sustainability targets, creates opportunities for locally owned, diverse businesses, and employment opportunities for marginalized people and those facing barriers to traditional employment. Social and sustainable procurement also advances sustainable business practices, and delivers outcomes related to equity, diversity, inclusion, and reconciliation.

Each community participating in BCSPI is unique, but collectively they share common values and goals that allow collaboration in the process, shared learning, and utilization of common resources and tools.

Governance and Fee Structure

BCSPI is a public initiative, created by and for local governments, with its administrative and financial processes housed within one of its member organizations (City of Victoria). The Initiative is governed by a Steering Committee made up of both elected officials and staff from member organizations, with member services delivered by a contracted partnership of social and sustainable procurement experts.

In the current model, there is a sliding scale fee structure that ensures membership remains accessible to communities of all sizes, particularly small, rural municipalities that could not otherwise afford to

access the training, resources, and support to implement social and sustainable procurement best practices. Membership fees are based on population size, and currently contribute to approximately 40% of the project delivery cost. B.C. Government funding addresses the gap between what member organizations can afford, and the cost to provide appropriate services.

BCSPI has explored shifting to a solely fee-based service. However, while membership fees do currently account for 40% of the Initiative's delivery cost, a completely fee-based approach would require either a significant increase in fees (making the initiative out of reach for smaller and rural communities) or a significant reduction in service (which would compromise the quality and outcomes BCSPI is known for). The value of the services and support provided far exceeds most municipalities' budgets for internal capacity and program development. Without BCSPI, small and remote communities would be unable to advance social and sustainable procurement policies and practices. The potential community impact from embedding social procurement into purchasing is worth the investment.

BCSPI is not a "forever" project, however many of its existing members are still at a critical growth stage, and there is steady interest from local governments who are not yet members. Social and sustainable procurement is nearing a 'tipping point' where, once enough organizations have piloted and implemented policies and best practices, an ongoing initiative will not be required. Within 3-5 years, BCSPI will be better positioned to transition to a self-sustaining model where the baseline resources and learning materials can be housed within a partner organization or can become public domain for others to access in perpetuity at no cost.

BCSPI supports the goals of the B.C. Government

Communities in B.C. are facing unprecedented economic, social, and environmental challenges. Social and sustainable procurement is a globally recognized best practice that ensures spending achieves best value, not only on price and quality, but also from a social and environmental perspective. More and more governments are now understanding the opportunities within their procurement practices and their supply chains to contribute positively to economic, social, and environmental challenges. For example, in Canada, social and sustainable procurement is being recognized as a way to strengthen local economies, mitigate the impacts of climate change, and support commitments to reconciliation with Indigenous peoples, diversity, accessibility, community development, inclusion, gender equality and tackling systemic racism.

The social and sustainable value created by BCSPI members directly supports the overarching goals of the B.C. Government, in particular delivering results that support a sustainable, clean, secure, and fair economy. The Ministry of Municipal Affairs has been tasked with critical outcomes related to maximizing other levels of government funding, infrastructure development, and inclusive and sustainable economic development. Many of these outcomes are directly supported and magnified by local governments integrating social and environmental outcomes into their purchasing and infrastructure development practices.

Whilst the Ministry of Citizen's Services is responsible for advancing social and sustainable procurement within the Government's own purchasing activities, BCSPI represents the only program available to B.C.'s municipalities and regional districts that links local government spending to building vibrant and healthy communities that are liveable, safe, economically resilient, and socially and environmentally responsible.

Partnering with the B.C. Government

Following an initial pilot on Vancouver Island supported by the Island Coastal Economic Trust (ICET), a grant of \$500,000 in 2021 from the Ministry of Municipal Affairs supported the provincial expansion of BCSPi. This expansion is ongoing and BCSPi is seeking additional funding to continue providing learning and capacity building for B.C.'s municipalities and regional districts for the next 3-5 years. We would like to present two options for consideration:

Option 1:

- **\$330,000 per year for the next three years for a total of \$990,000.** Supporting the Initiative to continue for the next three years would enable the following outcomes:
 - Continued delivery of services to existing local government members across B.C.
 - Projected BCSPi Membership is 60 local governments and institutions by March 2027
 - Projected training of 1,800 session participants from April 2024 – March 2027
 - Annual impact measurement reports
 - 8 hours of core training available to every BCSPi Member staff person on social procurement introduction, implementation, and construction
 - 8-10 webinars per year on current social procurement topics
 - Bimonthly community of practice for every BCSPi Member staff person
 - Updated templates, guides, and tools to support social procurement implementation
 - Regional coordination to support social procurement integration and collaboration
 - Case studies and videos of social procurement success

Option 2:

- **\$300,000 per year for the next five years for a total of \$1.5 million.** Supporting the Initiative to continue for the next five years would enable the following outcomes:
 - Continued delivery of services to existing local government members across B.C.
 - Projected BCSPi Membership is 80 local governments and institutions by March 2029
 - Projected training of 3,000 session participants from April 2024 – March 2027
 - Annual impact measurement reports
 - 8 hours of core training available to every BCSPi Member staff person on social procurement introduction, implementation, and construction
 - 8-10 webinars per year on current social procurement topics
 - Bimonthly community of practice for every BCSPi Member staff person
 - Updated templates, guides, and tools to support social procurement implementation
 - Regional coordination to support social procurement integration and collaboration
 - Case studies and videos of social procurement success