



Sustainable Procurement in Manitoba

Let's get real.



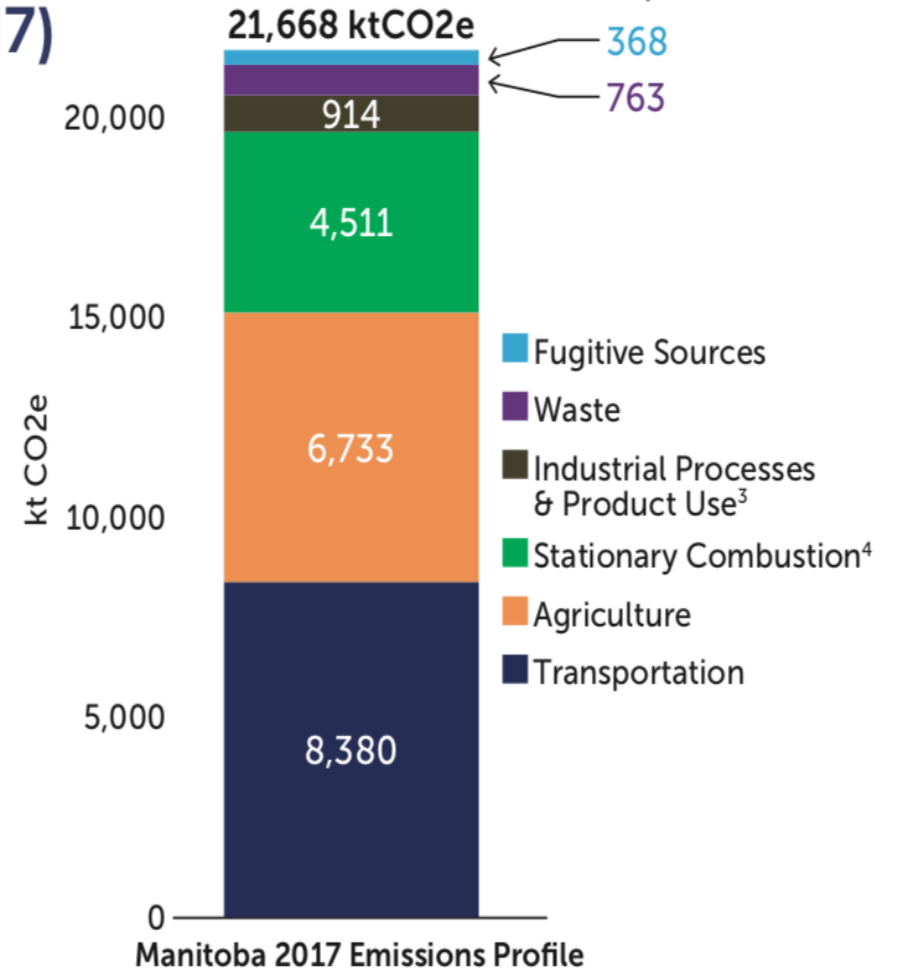
The SP Goal:

*Shift from lowest price
to best value.*

Low Carbon Government Opportunity

- Current estimates are that this sector accounts for about **480,000 tonnes of CO₂e annually**.
- Buildings account for about 310,000 tonnes of CO₂e and vehicles about 170,000 tonnes.
- The government of Manitoba's own footprint is about 94,000 tonnes of this amount.

Manitoba's GHG Emissions by Sector²
(2017)



Data Source: 2019 National Inventory Report



EAC on Green Procurement

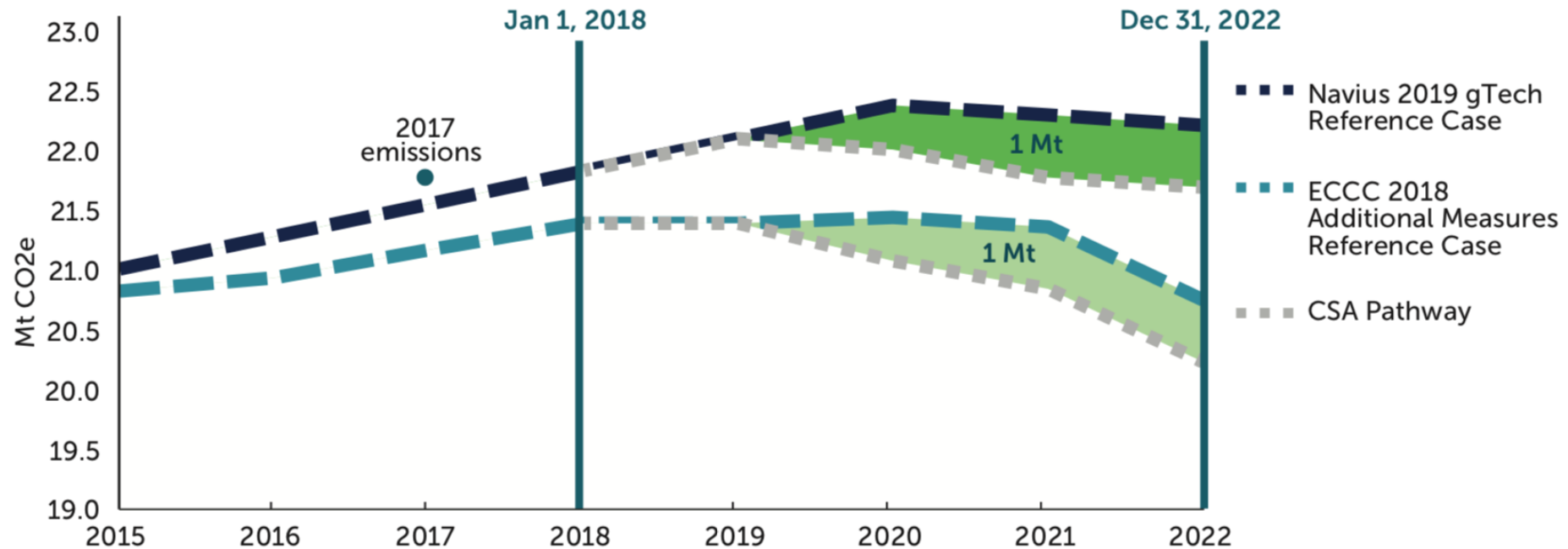
- A number of initiatives are possible across government operations to reduce carbon emissions from the overall MUSH sector and advance low carbon government. These include: reducing energy demand, waste reduction, fuel switching, operational efficiencies, innovation, and **green procurement**. Tracking these activities as part of the government's performance management is essential to ensure value for money and cost-effective low carbon progress.

Carbon Savings Account Principles

- **Effectiveness** – the goal and measures are both effective and cost-effective in reducing emissions.
- **Achievable** – the goal and measures are achievable.
- **Transparent** – the goal, measures, and analysis behind each is transparently set out.
- **Evidence-Based** – the goal and measures are based on solid evidence and analysis.
- **Fair Distribution and Contribution** – the goal and measures imply a fair and reasonable distribution and contribution of effort by emitting sectors and on Manitobans.
- **Dynamic** – the goal and measures can be added to within each CSA period.
- **Sustained Reductions** – the goal and measures lead to sustained emissions reductions.
- **Sustainable Development** – the goal and measures reflect the principles of sustainable development and the importance of both a healthy environment and a strong economy.

First CSA Account 2018-22

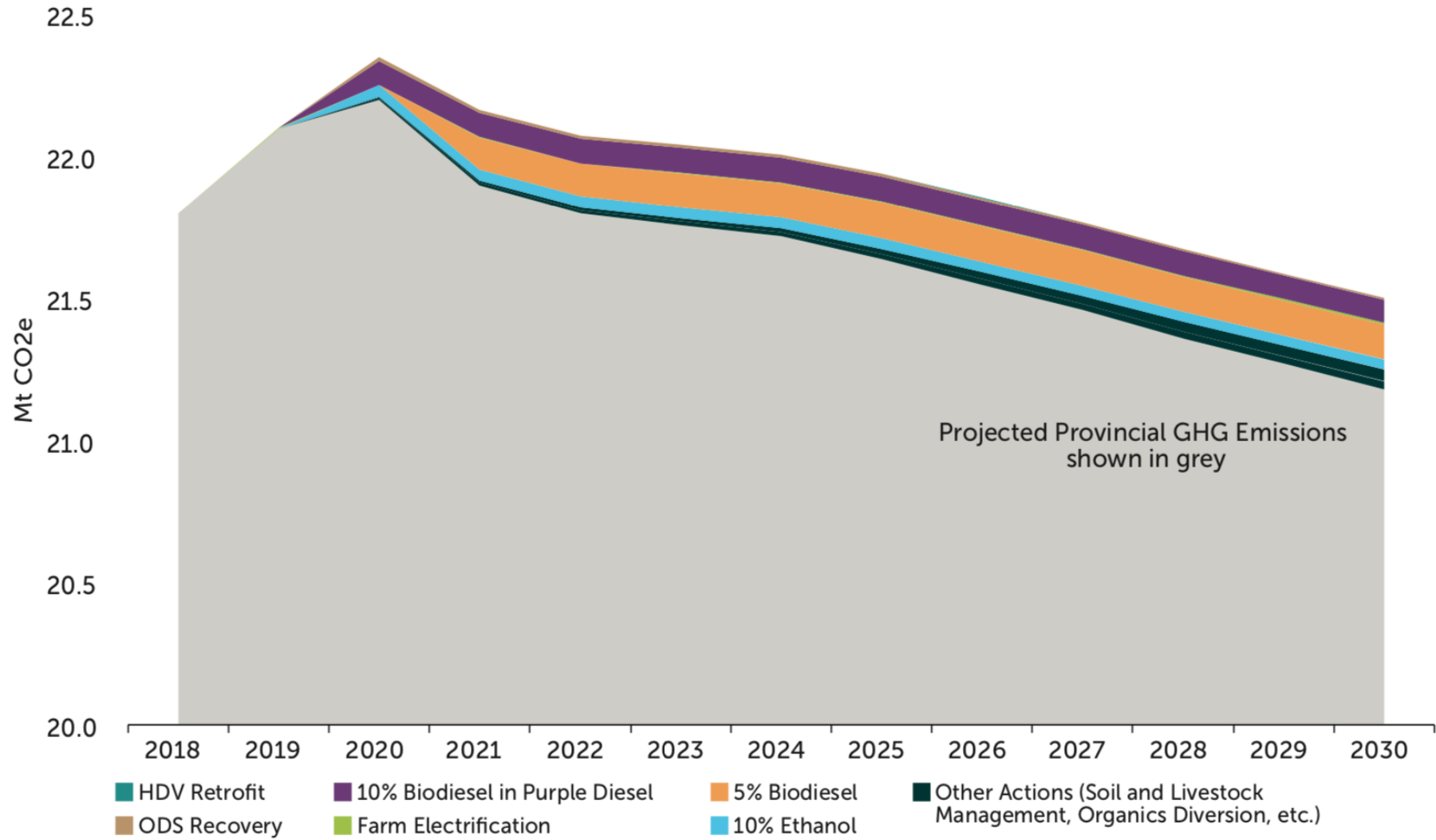
CSA Pathway - Comparison of Reference Cases



Data Source: 2018 Additional Measures Reference Case & Navius Research Inc. Forecast & Navius Research Inc. Modelling and Analysis 2019.



Future CSA Pathway - Illustrative Scenario of Ongoing Impact of Action



Data Source: Navius Research Inc. 2019

Manitoba Procurement Modernization



The project will include:



Centralizing procurement services to ensure government contracting is more coordinated, strategic and sustainable

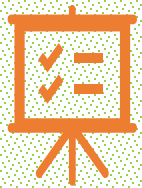


Adopting a category management approach to procurement to help the province become a smart shopper



Improving planning and using Manitoba's purchasing power to achieve economies of scale

Manitoba's SD Procurement Guidelines



[Manitoba's Sustainable Development Procurement Guidelines](#) are to be considered in any procurement and in broad outline would include the following:



Promoting Environmental
Sustainable Economic
Development



Conserving Resources



Conserving Energy



Promoting Pollution
Prevention,
Waste Reduction and
Diversion



Evaluating Value,
Performance and Need

FINAL REPORT of the EXPERT PANEL on SUSTAINABLE FINANCE

**Mobilizing Finance for
Sustainable Growth**



Government
of Canada

Gouvernement
du Canada

Canada

Expert Panel on Sustainable Finance



- “Utilize a portion of the public procurement budget to showcase the commercial application of proven cleantech solutions.”
- “Decisive procurement strategies targeting promising Canadian cleantech – particularly in energy purchase, building management and infrastructure development – would help bring products and services to scale while setting a precedent for provincial, municipal and private sector players to follow.”

Sustainable Infrastructure – Expert Panel on SF

- “Risk-based sustainability criteria to guide all new federal infrastructure planning, project selection and financing, as well as infrastructure-based funding transfers to provinces, territories and municipalities.”
- “Develop ratings-based certifications that provide transparency on climate impacts and long-term resilience characteristics of infrastructure assets.”



Expert Panel on Sustainable Finance



- **RECOMMENDATION 14.2.** Create regulatory conditions for clean innovation in public infrastructure.
- “The capacity to innovate in infrastructure planning and investment should be a key focus in the planned regulatory agility measures discussed in Recommendation 11 on cleantech.
- Assess appropriate means to ‘fast track’ federal permitting and funding for infrastructure projects of high value or priority in the proposed Mid-Century Path. Work with provinces and municipalities to do the same.
- Work with Canada’s financial services community and G20 countries to establish sustainable infrastructure as a formal asset class, distinguishing between operating and development characteristics.
- Ensure that procurement standards for infrastructure development promote innovative and low carbon footprint techniques, materials and technology.”

For the Benefit of All: Regional Competitiveness and Collaboration in the Winnipeg Metro Region



That the WMR begin work on selection criteria for a regional infrastructure priorities list, and develop a WMR regional infrastructure list for consideration by the province by no later than **November 2020**. The selection criteria should focus heavily on prioritizing regional infrastructure projects that will enable regional economic development and investment.



That the Province of Manitoba prioritize infrastructure funding for the region's municipalities that will have direct regional benefit and enable regional economic opportunities for the region. The regional infrastructure projects for provincial consideration should come from a coordinated regional infrastructure list developed by the WMR, and the province should consider prioritized regional projects on the WMR's list.

What's Preventing SP?

Legal concerns

- Can't favour domestic suppliers
- Uncertainty over what's allowed & procedures

Procurer capacity & skillsets

- Working with suppliers & knowing market
- Designing innovative, SPP performance-based tenders
- Monitoring compliance

Business case for SP

- Cheapest price vs. life-cycle costs
- Lack of verified data and evaluation tools for SP

Risk averse mindset

- Political will including out-of-province/country suppliers
- Auditor-General
- Lowest cost bias

Non-discrimination Under WTO-GPA

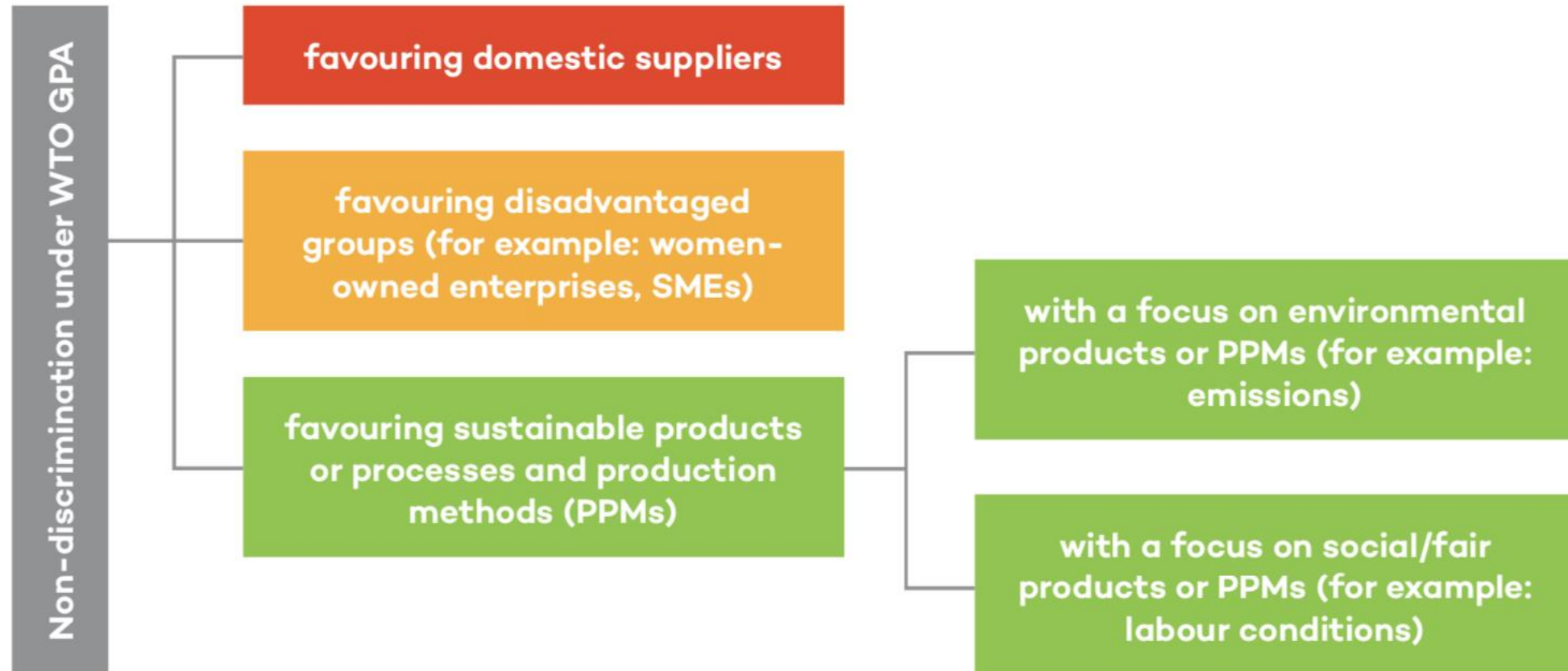


Figure 1. Interpretation of the non-discrimination provision under the WTO GPA

Actions for SP

01

Promote best practices.

02

Dedicate innovative procurement funding.

03

Develop and disseminate SP evaluation tools.

04

Create 'risk taking' decision-making solutions.

05

Use SP knowledge-brokers to offer technical and market assistance to suppliers and procurers.

Implementing Sustainable Procurement



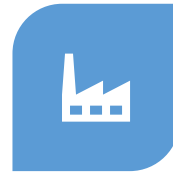
1) ENCOURAGE AND SCALE PRIVATE SECTOR INVESTMENT INTO LOW-CARBON BUILDING MATERIALS THROUGH:



(A) SECTOR-SPECIFIC LOW-CARBON TARGETS;



(B) SUPPLY CHAIN COLLABORATION



(C) BUNDLING OF DEMAND FOR LOW-CARBON INFRASTRUCTURE.



2) ENGAGE WITH THE MARKET EARLY ON TO IDENTIFY LOW-CARBON INNOVATION AND STIMULATE COLLABORATION THROUGHOUT THE CONSTRUCTION SUPPLY CHAIN



3) USE TENDER SPECIFICATIONS THAT ASK FOR SPECIFIC LOW-CARBON MATERIALS (TECHNICAL SPECIFICATIONS) OR USE PERFORMANCE-BASED SPECIFICATIONS THAT REFER TO THE CARBON PERFORMANCE OF UNDEFINED BUILDING MATERIAL, OR INFRASTRUCTURE ASSET.



4) USE HOLISTIC AWARD METHODOLOGIES AND TOOLS THAT MAKE LOW-CARBON PERFORMANCE A COMPETITIVE ELEMENT OF THE BIDDING PROCESS

Sustainable Public Procurement Cycle



SP Policy Steps



Define what we mean.

Low carbon, clean growth, green procurement



Quantify the opportunity.

GHG reductions, business growth, innovation applications, market development



Insert in government policy frameworks.

CGP, Metro Region, City of WPG, MB Procurement Modernization, Tenders



Develop evaluation and tender tools to use.

For procurers and suppliers
Insert life-cycle costing



Train procurers.

Provincial and municipal levels



Evaluate results.

Rinse and repeat...

The background of the slide is a solid teal color. On the left side, there is a white ladder with several rungs. A large white circle is positioned on the right side of the teal area, partially overlapping the white text. The text is in a clean, sans-serif font.

The SP Goal:

*Shift from lowest price
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