

## Courageous Conversations: Procurement Workshop

### *Preliminary Outcomes Summary*

The *Courageous Conversations: Procurement Workshop* was held on Friday, October 21, 2016, at the University of Toronto. The workshop was co-hosted by WaterTAP, the Ontario Coalition for Sustainable Infrastructure (OCSI) and Consulting Engineering of Ontario (CEO). Cole Engineering Group sponsored the event.

The workshop brought together a diverse set of stakeholders to identify a set of criteria for the procurement of sustainable municipal infrastructure. These criteria were used to identify forces that are acting in resistance to these criteria and forces that are working to achieve these criteria.

The day concluded with the group agreeing to move forward with WaterTAP, OCSI, and CEO in working to attain the criteria in connection with other procurement initiatives currently being undertaken locally and elsewhere.

### DEFINITIONS

Before the event, individual attendees were polled for their thoughts on the definition of “procurement” and “sustainable infrastructure.” These insights were discussed at the beginning of the workshop and the following definitions emerged through group consensus:

**Procurement** is the act of obtaining or buying goods and services that meet or exceed required performance criteria. The process includes preparation, processing, and communication of a demand/specifications as well as the end receipt and approval of payment.

The group additionally determined that procurement should consider:

- The lead-up to the formal procurement process, including the process of determining requirements and value
- The activities that follow the formal procurement process
- A team effort
- Evaluation
- Negotiation
- Consideration of innovation
- Consideration of less traditional types of partnerships

**Sustainable infrastructure** has a financial plan to support the life-cycle cost of the asset to deliver the level of service required, including environmental (multi-generational considerations) and the disposal or renewal at the end of its useful life.

The group additionally determined that sustainable infrastructure should:

- Adequately manage risk
- Be developed with continuous improvement in mind (planned/potential obsolescence)

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#### **CRITERIA IDENTIFICATION**

The group worked through a series of activities to identify a set of five criteria for procuring sustainable municipal infrastructure:

- Identify desired outcomes first
- Consider true life-cycle monetary cost and economic benefits (and balance this with next point)
- Consider social and environmental benefits (and balance this with previous point)
- There should be flexibility in the chosen procurement model (i.e., match model with context)
- The process should manage risk and maximize the other criteria

#### **Driving and Resisting Forces**

Individual groups worked on each criterion. After a series of activities, each group presented a Lewin Force Field Diagram. These diagrams identify how resisting forces and driving forces work in opposition when considering a change in current state to a future alternative state:

- Resisting forces: forces working against the fulfillment of a criterion
- Driving forces: forces working in favour of the fulfillment of a criterion

The Lewin Force Field diagrams for each criterion are shown on the following page.

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<b>Criterion: Identify desired outcomes first</b>		
<p align="center"><b>Driving Forces →</b></p> <ul style="list-style-type: none"> <li>• Communication</li> <li>• Reduce long-term cost               <ul style="list-style-type: none"> <li>• Climate crisis</li> </ul> </li> </ul>	<b>Current State</b>	<p align="center"><b>← Resisting Forces</b></p> <ul style="list-style-type: none"> <li>• Reward framework</li> <li>• Resources/\$/time</li> <li>• Politics</li> </ul>

<b>Criterion: Consider true life-cycle monetary cost and economic benefits</b>		
<p align="center"><b>Driving Forces →</b></p> <ul style="list-style-type: none"> <li>• Availability of better data               <ul style="list-style-type: none"> <li>• Media</li> <li>• Education</li> </ul> </li> <li>• Capacity building and awareness</li> <li>• Long-term financial sustainability               <ul style="list-style-type: none"> <li>• Enabling legislation</li> </ul> </li> </ul>	<b>Current State</b>	<p align="center"><b>← Resisting Forces</b></p> <ul style="list-style-type: none"> <li>• Politics/funding</li> <li>• Changing costs and technology</li> <li>• Difficult to prove quantifiable benefits</li> <li>• Data gaps</li> <li>• Long project selection timeline</li> <li>• Analysis is rarely equitable triple-bottom-line</li> <li>• Environmental/social cost considerations</li> <li>• Departmental conflicts</li> <li>• Capex/Opex conflict, upfront Capex perspective</li> </ul>

<b>Criterion: Consider social and environmental benefits</b>		
<p align="center"><b>Driving Forces →</b></p> <ul style="list-style-type: none"> <li>• Education (public awareness, training)</li> <li>• Consultation, public outcry, advocacy</li> <li>• Time and circumstances (e.g., climate change)</li> <li>• Research: data, best practices, comparisons               <ul style="list-style-type: none"> <li>• Incentives (policy, financial)</li> <li>• Standards and regulations</li> </ul> </li> <li>• Social responsibility/stewardship</li> </ul>	<b>Current State</b>	<p align="center"><b>← Resisting Forces</b></p> <ul style="list-style-type: none"> <li>• Capacity is limited</li> <li>• Lack of collaboration, silos</li> <li>• Lack of metrics</li> <li>• No long-term data</li> <li>• Risk aversion</li> <li>• “It’s not my mandate”</li> <li>• Benefits may be more substantial for some stakeholders than others</li> </ul>

<b>Criterion: There should be flexibility in the chosen procurement model</b>		
<p align="center"><b>Driving Forces →</b></p> <ul style="list-style-type: none"> <li>• Desire to change</li> <li>• Performance objectives</li> <li>• Continuous improvement               <ul style="list-style-type: none"> <li>• Social pressure</li> </ul> </li> </ul>	<b>Current State</b>	<p align="center"><b>← Resisting Forces</b></p> <ul style="list-style-type: none"> <li>• Regulatory obstacles</li> <li>• Low-bid ethos</li> <li>• Cost to evaluate technology</li> </ul>

<b>Criterion: The process should manage risk and maximize the other criteria</b>		
<p align="center"><b>Driving Forces →</b></p> <ul style="list-style-type: none"> <li>• Climate change &amp; risks</li> <li>• Informed public (data)               <ul style="list-style-type: none"> <li>• Financial stress</li> <li>• Demographics</li> </ul> </li> </ul>	<b>Current State</b>	<p align="center"><b>← Resisting Forces</b></p> <ul style="list-style-type: none"> <li>• There is a perception of control with risk aversion</li> <li>• Risk assessment and trade-offs depend on context – makes analysis and decision-making difficult</li> <li>• Focus on risk rather than strategy</li> <li>• To understand risk, you need good input data and knowledge/understanding</li> <li>• Risk management</li> </ul>

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**PARTICIPANTS**

<b>First Name</b>	<b>Last Name</b>	<b>Organization</b>	<b>Title</b>
Divyam	Beniwal	University of Toronto	Student
Carl	Bodimeade	Ontario Coalition for Sustainable Infrastructure (OCSI)	Chair
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Vanessa	Chau	City of Brampton	Manager, Corporate Asset Management
Patrick	Cheung	City of Toronto	Senior Engineer
Donna	Chiarelli	Federation of Canadian Municipalities (FCM)	Senior Advisor, Knowledge Services
Curtis	Ching	York Region	Manager, Corporate Asset Management
Landon	Gardner	Sailing to Sustainability	Principal
Bill	Gauley	Gauley Associates Ltd.	Principal
Linda	Gowman	Trojan Technologies	CTO
Mike	Hare	Heron Instruments Inc.	Sales Manager
Lesley	Herstein	WaterTAP (facilitator)	Manager of Policy
Greg	Jackson	ACG Technology	Principal
Louie	Jakupi	Mississauga	
Trish	Johnson	WaterTAP	Better Best Practices Lead
Arthur	Kong	Ministry of Municipal Affairs	Senior Economist, Municipal Finance Policy Branch
Todd	Latham	Ontario Public Works Association (OPWA)	OCSI Board member
Sandra	Lester	Affecting Change, Inc.	Visionary Green Building Consultant, CEO
Geoff	Masotti	Cole Engineering Group Ltd.	Quality Manager / Project Manager
Mike	Nelson	ACG-Envirocan	Sales Manager
Thomas	Nightingale	City of Mississauga	Watercourse Management Coordinator
Lisa	Prime	Prime Strategy & Planning	Principal Consultant
Nicholas	Reid	Ryerson Urban Water	Executive Director
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