

Beyond Value for Money: Social Procurement for Victorian Local Government

Second Edition



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1. BEYOND VALUE FOR MONEY IN PROCUREMENT - SOCIAL PROCUREMENT IN VICTORIAN LOCAL GOVERNMENT

1.1. INTRODUCTION TO THE SECOND EDITION

The second edition of this Guide was written by Local Government Victoria (part of the Victorian Department of Environment, Land, Water and Planning (DELWP)) and the Municipal Association of Victoria (MAV). It has updated the 2010 *Social Procurement; A Guide for Victorian Local Government* to assist councils to apply the concept of social procurement into their everyday corporate practices. It is a companion guide to the [2013 Victorian Local Government Best Practice Procurement Guidelines](#).

The 2010 edition and the associated social procurement toolkit has remained a touchstone for practitioners. Its publication expressed a growing interest in leveraging the expenditure of public sector entities into broader organisational social objectives. Seven years on, social procurement is better understood as a concept and tangible policy outcomes are recognised as possible in areas such as local economic development, employment and training for disadvantaged groups, and providing credible and diverse alternatives in the supply of goods and services.

The contents of this second edition guide have not fundamentally changed. What has changed is the message. There is no longer any great mystery as to what social procurement is. This second edition is therefore more focussed upon the 'how to' and less about the 'what'.

'Beyond Value for Money' is an attempt to apply social procurement in business as usual terms, showing how local governments can integrate their commitment to public benefit into mainstream procurement practices.

Social procurement need no longer be a 'nice to have'. It can be part of everyday procurement by local government: a business as usual proposition. Consideration of social objectives can become a part of mainstream procurement practices and organisational approaches, in the same way as occupational health and safety and environmental management are business as usual practices for all levels of government today.

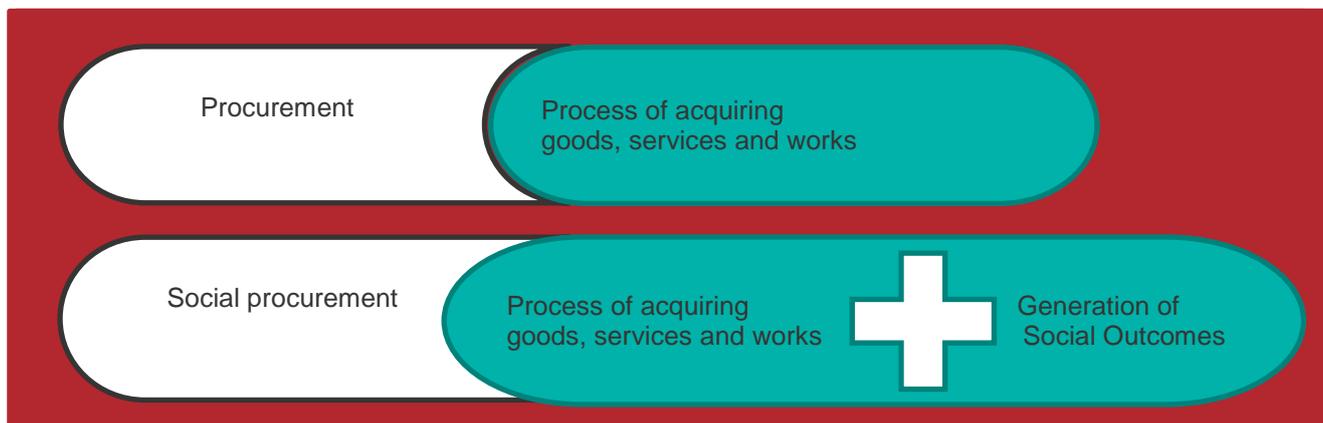
This Guide covers, in Chapters One, Two and Three, the essence of social procurement as a concept and some examples of practice. It then, in Chapter Four discusses embedding such practices into a local government organisation through documentation, planning and management of tendering and contracts. The remainder of the Guide then covers more technical matters for practitioners such as legal considerations and the application of social procurement concepts into tendering and contract drafting. The Guide also makes reference to, and is to be used in conjunction with, the social procurement toolkit and extensive resources provided on the [DELWP website](#).

Finally, the Guide is intended to be a starting point for procurement professionals and local governments, not a list of requirements, expectations or standards. No guide seeking to change and improve practices is a substitute for professional creativity, the sharing of ideas, and the celebration of success.

1.2. WHAT IS SOCIAL PROCUREMENT?

Social procurement refers to the generation of social value through purchasing and procurement processes. Social procurement ensures that procurement decisions incorporate consideration of social value to build real 'triple bottom line' value propositions into procurement processes.

It is a powerful tool that can improve value for money outcomes by aligning multiple, and often complex, strategic objectives. Through linking and integrating social and economic policy objectives, social procurement strategies demonstrate how improving 'quality of life' outcomes can be embedded in the business of all public-sector entities.



Social procurement can take different forms, which can be loosely grouped into **direct** and **indirect** approaches. Direct approaches involve purchasing from for-social-benefit entities¹, such as: not-for-profits, social enterprises, Australian Disability Enterprises, Aboriginal-owned businesses, social businesses, worker or community owned cooperatives and others. Indirect approaches include social clauses in contracts with private sector providers, screening supply chains for ethical considerations, as well as embedding social enterprise in the supply chain of larger contracts (i.e. as sub-contractors).

1.3. WHO IS THIS GUIDE FOR?

This Guide is designed for Victorian local governments. The first three chapters of the guide are orientated toward a broader audience of local government decision makers and staff. The remainder of the Guide and the appendices, along with the online resources are tailored for local government procurement professionals.

1.4. HOW TO USE THIS GUIDE

This Guide is focussed on 'procurement', referring to end to end procurement and all forms of tendering, contracting and purchasing. It is designed to provide practical guidance in developing and strengthening an organisation's social procurement practice, at an organisational and a project level. It may therefore be read in conjunction with the Victorian Local Government Best Practice Procurement Guidelines 2013. It is important to note that this guide is non-binding on councils. The legal advice provided by the Victorian Government Solicitors Office is to provide assurance to local governments of the legitimacy of social procurement practices, along with consideration of the broader legal framework within which social procurement sits.

¹ A Social Benefit Supplier is a supplier who, through its organisational purpose or by the nature of its structure, is focussed on generating social value. It includes organisations and businesses whose mission is centred on a social purpose (such as a social enterprise) and/or those who are owned by groups or people who are considered disadvantaged and who therefore, due to their ownership structures channel economic and social resources into marginalised communities (such as Aboriginal businesses, minority owned businesses or women owned businesses).

2. LEVERAGING THE LOCAL – THE CONTEXT OF SOCIAL PROCUREMENT IN VICTORIA

Local governments in Victoria are committed to achieving good social outcomes; through either direct service provision or funding local community organisations to deliver services. Social procurement offers local governments another way to implement their policies by using their procurement expenditure as a vehicle.

2.1. STRATEGIC CONTEXT OF PROCUREMENT

Victorian local governments expended almost \$8 billion in 2016-17. An estimated 50-70 per cent of this was via contracting and outsourcing, i.e. procured goods and services. Recognition of the scale of the potential, has led to a transformation of the procurement profession over the last 20 years. In the private sector and increasingly in the public sector, organisations have introduced more strategic approaches to procurement that identify and plan procurement practice to achieve objectives such as:

- Value for money
- Quality
- Reliability of supply
- Probity
- Environmental benefits and
- **Social value**

The size of this expenditure - by public organisations charged with the delivery of essential public services - indicates the potential to leverage this expenditure toward public benefit in many creative ways.

2.2. SOCIAL PROCUREMENT IS JUST GOOD PROCUREMENT

Aligning budgetary spends to deliver maximum 'value for money' against policy priorities is good practice, and as a result a much more holistic understanding of what constitutes value in this context can emerge. Outcomes such as: fitness for purpose; the experience and capacity of the supplier; reliability; timeliness; delivery; innovation; product servicing; added economic or environmental value; creation of strategic partnerships; contribution to meeting policy objectives; and costs and benefits over the life-cycle of a product or service are all example considerations beyond a lowest price criteria.

Social procurement therefore is simply the use of strategic procurement practices to generate wider public benefits beyond the core products and services purchased. The procurement process becomes a 'vehicle' for a local government to address social and economic objectives, and/or maximise local or regional community benefits of their choice.

Procurement of social services is not social procurement; social procurement requires the addition of social benefits over and above the procurement of the goods, services or works, irrespective of the end use.

Consideration of social value in procurement does not change the fundamentals of the procurement lifecycle. Social procurement should be considered at the earliest stage in a project and integrated throughout. Given that procurement decisions can have such strategic importance in local government, it is important that decisions about 'best value' include considerations of social value that could be generated. This extends the concept of 'value for money' beyond price and quality.

Some examples of social benefit that could be generated through local government procurement:

- bringing people into employment from a specific marginalised cohort such as the long term unemployed, public housing tenants, those with a disability, Aboriginals, refugees or migrants, those facing homelessness, youth and others
- economic stimulus in a community or region where work is being undertaken to promote ethical employment and work practices.
- building a diverse supplier base for the market that engages minority groups and reflects the diversity of the community.
- economic participation and development for Aboriginal and Torres Strait Islander people and other Australians.
- ensuring procurement practices are sustainable and strategically aligned with council objectives
- strengthening partnerships with a range of community and government stakeholders
- demonstrating leadership across the wider community and local government sector
- achieving greater value for money for ratepayers.

3. FORMS OF SOCIAL PROCUREMENT

3.1. OVERVIEW

The following chapter gives an outline of the sort of social procurement forms or categories that one may expect to find in discussions about social procurement by local government. The categories discussed below are examples of how procurement expenditure may be leveraged toward social or public policy goals. The categories below are not exhaustive and should be considered as indicative rather than specific requirements or goals. They are also indicative of the main social procurement policy priorities of the Victorian Government at the time of writing, however are not an indication of required considerations or policies for Victorian local governments.

3.2. YOUTH EMPLOYMENT

It is evident from the Australian Bureau of Statistics' Census data that youth unemployment is often geographically concentrated. Many council services are orientated toward addressing this concentration, so have devised specific services for underemployed and unemployed youth. Many of the challenges of improving youth employment intersect with other social problems such as family breakdowns, intergenerational unemployment and disadvantage.

A straightforward way to improve youth employment and training through procurement is to designate traineeships and apprenticeships in construction tenders. Council collaborations for capital works can also offer economies of scale to designate a requirement for a certain number of traineeships. Apprenticeships from a local area, or a requirement to sub-contract can be part of tender requirements. Aligning these specific requirements with broader council social objectives can then be possible.

It is important to undertake market analysis and understand social and demographic factors for such a procurement. If a council has a good understanding of its youth employment challenges, it can begin to find creative ways to leverage its procurement spend toward meeting the same challenges.

3.1. COUNCILS AS ABORIGINAL EMPLOYER AND PROCURER

Many Victorian councils are looking at how their procurement processes can be applied strategically to address and stimulate Aboriginal entrepreneurship, business development and employment by providing Aboriginal businesses with more opportunities to participate in the economy.

To achieve business stimulation, the City of Melbourne has implemented a target of procurement spend over three years to engage Aboriginal businesses at different levels of Council's supply chain. See <http://www.melbourne.vic.gov.au/business/opportunities/tenders/Pages/procurement-with-aboriginal-business.aspx>

The Victorian Aboriginal and Local Government Action Plan outlines a range of important strategies to support Aboriginal Victorians and local councils to improve outcomes for their communities through councils in their role as employers, service providers, planning authorities and asset managers.

Economic participation and development have been identified as a high priority by Aboriginal communities around Victoria in recognition of the role economic participation has in building self-esteem, independence, and positive role models. The flow-on benefits of increased economic participation in terms of health and social wellbeing are also significant. Strong and genuine partnerships between councils and Aboriginal and Traditional Owner groups can deliver employment and business participation opportunities.

The Council of Australian Governments – a partnership between all levels of government – has agreed to work with Indigenous communities to close the gap in Indigenous disadvantage. Challenges encountered include cultural conflicts, difficulty accessing finance, discrimination, exclusion from the economy, isolation, lack of basic business skills and lack of business networks. Business ownership is central to achieving economic security, and in turn, is an essential aspect in reducing disadvantage. The Aboriginal business sector has evolved beyond tourism, the creative arts and natural resource management. It now includes

social and community enterprises, for-profit businesses, and everything from microbusinesses to major enterprises with multi-million-dollar turnover.

Supply Nation, previously known as the Australian Indigenous Minority Supplier Council (AIMSC) certifies that Indigenous businesses are:

- at least 51% owned by Indigenous Australians
- managed by an Indigenous Australian
- controlled by an Indigenous Australian/s
- for profit
- trading as a business.

Setting tangible and measurable targets is the powerful way to increase procurement of specific sectors. The Commonwealth Indigenous Procurement Policy has set a target of three per cent to award new domestic Commonwealth contracts by 2019-20 to Indigenous suppliers. Tharamba Bugheen is the Victorian Government's strategy to support Aboriginal businesses to grow and build capability. The strategy includes the establishment of a one per cent procurement target from Aboriginal businesses. However, those policies apply to the state and Commonwealth governments respectively but not to the local government sector.

Councils may consider setting their own procurement targets, specific to their particular context (for example, number of Aboriginal businesses in the area). Those targets are designed to provide better opportunities through government contract arrangements for Aboriginal people. Councils could also, for instance, further align themselves with the Commonwealth Government's approach to require supplier/third party organisations to have an Aboriginal Training, Employment and Supplier (sub-contractor) plan if they are tendering for council projects involving expenditure of a certain amount of expenditure, for example more than \$300,000 and in regions where there are significant Aboriginal populations.

3.2. ENVIRONMENT

Environmental considerations are perhaps the most established social procurement requirements by public organisations. Specific elements such as the use of recycled materials, low energy and water consumption or designing and constructing energy efficient buildings are commonly applied. Other factors such as reducing carbon emissions or waste output can also be considered.

The rapid change in technology and materials has also highlighted opportunities for many areas of local government procurement in construction and asset maintenance. Road resealing techniques using low emission asphalts for example are approaching cost parity with more traditional materials.² VicRoads have long supported the use of recycled materials across the road network and provide specifications and guidance on the inclusion of these materials.³ Mapping suppliers and marketplace knowledge is essential in this rapidly changing category.

An area of challenge for local governments is the whole of life considerations when procuring many fixed assets. Long term energy use and maintenance costs, if integrated into overall costs, can make some previously purely environmental considerations part of the overall cost and therefore a value for money consideration as well as environmental.⁴ Long term energy usage and maintenance costs, if evaluated as part of the overall cost of an asset, can elevate environmental considerations into broader value for money assessment.

2 The Victorian local government Infrastructure Design Manual is, at the time of writing, developing Sustainable Infrastructure Guidelines as a component of its manual. See <http://www.designmanual.com.au/>

3 VicRoads Technical Note 107 Use of Recycled Materials for Road Construction September 2011

4 The International Standards Organisations recently published (2017) the ISO 20400 Sustainable Procurement Guidelines which include elements of environmental sustainability. They are available for purchase through the ISO.

3.3. LOCAL CONTENT

A requirement to purchase goods and services from within a municipal district is a common and long standing practice in local government. The rationale is that by purchasing locally, a council is supporting its local businesses: in effect recycling its expenditure back into the municipality for collective benefit. The impulse to procure locally is especially acute for small, rural and regional councils where the council organisation is usually a significant player in the local economy.

Purchasing with a local content requirement or criteria does entail some considerations for local government. First, the extent to which 'local content' is defined and mandated in tender and contractual conditions needs careful consideration. Applying a standard assessment percentage of local content for all tenders, while convenient, may be poorly targeted. Some approaches to market may warrant less of a percentage, others more. Further, does 'local' as a geographical concept apply to just the municipality, neighbouring councils or a wider region? Providing clarity for suppliers, via tender documentation and the council procurement policy is critical.

Second, local suppliers, in receiving an advantage, may be receiving an advantage disproportionate to the estimated social benefit. Close proximity may entail an advantage for the supplier by default (such as lower transport costs), negating the need to seek specific local content in tenders.

Third, in applying local content criteria, a local government should be mindful of the longer term impact of the approach. Is offering an advantage to local suppliers in the best interests of the council and the wider community? If a good or service are with limited suppliers, the lack of competition may lead to a decline in service quality over time, or a monopoly situation. Is a supplier with 20 years of operating in a municipality more credible than a recent start up company? These are considerations that a council, in applying local content as a social procurement criterion should plan for and evaluate appropriate to the procurement task and review periodically in their procurement policy.

3.4. DISABILITY

The *Victorian Disability Act 2006* requires all public sector bodies to have a disability action plan (DAP) including local government. DAPs can help reduce discrimination and increase access for people with disability to everyday services and employment. DAPs can also provide a mechanism through which social procurement can be leveraged to drive economic benefits for people with disability.

Local government has an effective role to play through ensuring its own infrastructure, goods and services are accessible and leveraging procurement power to ensure suppliers and sub-contractors also offer accessible goods and services.

Some examples include:

- ensuring that candidates with disability applying for employment obtain the same opportunities as any other candidate;
- stipulating that labour hire companies and recruitment firms incorporate people with disability in their talent pools when servicing local government contracts;
- stipulating that sub-contractors include people with disability in their workforce when servicing local government contracts;
- ensuring customers and clients with disability receive the same courtesy, attention, information and service as any other customers or clients; and
- having information available in different formats so that anyone can be informed, regardless of ability to see, hear or understand.

4. GETTING FROM NICE TO HAVE TO BUSINESS AS USUAL: AN ORGANISATIONAL APPROACH TO SOCIAL PROCUREMENT

Social procurement presents an opportunity for local governments to integrate their broader organisational social policy objectives such as those found in the Council Plan into their mainstream procurement practices. Whilst this may require change to systems and processes, equally important is the change of organisational culture to implement it.

The following chapter is aimed toward assisting local government procurement practitioners integrate social procurement into their council processes. It includes links to the toolkit and resources on the [DELWP website](#).

4.1. BUILDING SUPPORT

Successfully applying social procurement practices in a local government requires leadership and commitment, across the local government organisation. It is important to take time to engage people in a council early to build awareness and support.⁵

If undertaken as part of a robust procurement framework, the value-add achieved through the delivery of social objectives can not only support the achievement of council objectives, but also enhance local government reputation and staff satisfaction. For council staff, the opportunity to support projects that not only deliver services and infrastructure, but community benefits, such as local jobs and training, is positive and tangible.

It is vital that social procurement is presented as part of a robust procurement system that will effectively manage risks and ensure that any additional costs are clearly identified and balanced against the planned social objectives. Achieving leadership support is vital in 'selling' social procurement across the organisation. Nevertheless, it needs to be backed up with a clarity of purpose that will ensure staff understand the procurement path chosen and how it applies to them.

Many local governments already support local suppliers or request evidence of community – social responsibility through their procurement practices. The steps outlined in this Guide are to encourage a more visible systemic and mainstream approach to social procurement: a business as usual approach. Identifying the way in which social procurement is already being undertaken across the council (such as local content), can help address any concerns.

An Engagement and Awareness Strategy can be an effective way to build a social procurement approach within a local government. A detailed guide and template for this approach is available on the [DELWP website](#).

5. A Guide to Achieving Social Value through Public Sector Procurement, NSW

4.2. PROCUREMENT POLICY AND PROCESS

To embed social procurement as a legitimate part of mainstream practice does not require a suite of new documentation. The existing Council Procurement Policy, Procurement Guidelines/Manual and tender templates provide the framework through which a local government's procurement activity is undertaken. It is important only that the key procurement documents are reviewed and updated to incorporate social procurement principles and practice.⁶ A table of the key or common council documents relevant to social procurement is as follows:

DOCUMENT	PURPOSE	SOCIAL PROCUREMENT CONSIDERATION
Council Procurement Policy	Provide the high-level principles and framework for council procurement practice	<p>The Policy does not create any barriers to the incorporation of social and triple bottom line objectives as legitimate considerations in council procurement practice.</p> <p>The Policy actively encourages the appropriate consideration of social and triple bottom line objectives as part of council's robust strategic procurement framework.</p>
Procurement Manual / Guidelines	Provide step by step guidance to support the application of the Procurement Policy and ensure sound procurement practice at each stage of the procurement cycle.	<p>The Procurement Manual should provide clear and accessible guidance on incorporating social objectives at each stage of the procurement cycle, including:</p> <ul style="list-style-type: none"> • Procurement Project Plan /Strategy development • Specification and KPI development • Tender /quote processes • Evaluation and weighting criteria
Procurement Templates	Provide a range of standard good practice templates to support key aspects of the procurement cycle.	<p>The procurement templates should provide for the effective incorporation of social objectives into relevant standard organisational procurement templates at key stages of the procurement cycle, such as:</p> <ul style="list-style-type: none"> • Procurement project plan • Standard contract templates • Evaluation plans • Contract management • Social/sustainable impact assessment

6. A Guide to Achieving Social Value through Public Sector Procurement, NSW

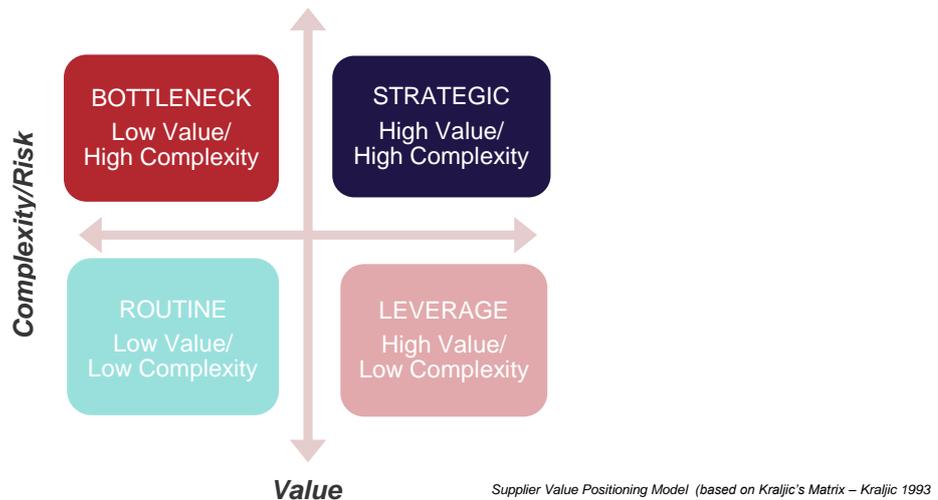
4.3. PLANNING AND STRATEGY

One of the key features of strategic procurement practice is a commitment to early planning to ensure that opportunities to maximise the benefits from procurement are identified and developed. Local governments seeking to achieve social objectives should aim to incorporate social procurement at each stage of their planning process, including longer range procurement planning cycles. A table of some example procurement documents that could incorporate social procurement follows:

DOCUMENT	PURPOSE	SOCIAL PROCUREMENT PRINCIPLE
Organisational Procurement Strategy/Roadmap	Provides a strategy to drive on-going improvement in organisational procurement practice.	<p>The Procurement Strategy / Roadmap should incorporate the development of social procurement as part of a broad range of clearly defined actions to drive the development and improvement of strategic procurement practice.</p> <p>The Procurement Strategy / Roadmap should include actions to develop social procurement practice over time across dimensions including:</p> <ul style="list-style-type: none"> • Procurement planning • Training • Process and governance • Sourcing and collaboration • Contract management.
Annual Procurement Plan/Procurement Management Plan	Develop a Plan that identifies all proposed procurement activity and project priorities for the following year.	<p>Annual procurement planning provides a very effective mechanism to encourage early identification and high level planning for upcoming procurement activity.</p> <p>The annual procurement planning process should incorporate an 'Opportunity Analysis' to identify key projects that may be well placed to deliver social objectives</p>
Project Procurement Plan/Strategy/Council Plan	The Project Procurement Plan /Strategy/Council Plan provides a structured model to ensure sound strategic planning for significant or complex procurement projects and aligns with the long term directions of the Council	The Project Procurement Plan /Strategy/Council Plan development process may include the assessment of social value opportunities and a clear plan as to how the procurement process will deliver on those opportunities as part of the broader goals of the procurement project.

4.4. OPPORTUNITY ANALYSIS

A next step in understanding how social procurement can be applied by a local government, is to undertake an opportunity analysis against each of the organisation's key categories of procurement expenditure. This process will assist in identifying which current spend categories and procurement projects may be able to deliver social outcomes. It can also be used to highlight pilot projects that can demonstrate the potential for procurement to deliver social objectives of a local government. The Supplier Social Value Positioning Model (based on the Kraljic's Supplier Positioning Matrix) is one example of a tool that can assist in undertaking an opportunity analysis to support procurement decision-making.⁷



Sample strategies for each Supplier Social Value Positioning Category:

Bottleneck (e.g. IT Networks /specialised plant /specialised consultants /design) — High risk and/or high complexity supply categories that may provide little social value. Generally low priority for social procurement unless there is a specific social enterprise solution available.

Routine (e.g. stationery, coffee/tea supplies, plant and equipment) — These categories may provide low social value, but it may be relatively easy to put some simple standard clauses in the purchase process to maximise any social value available (fair trade, buy local).

Leverage (e.g. cleaning, maintenance, horticulture, catering etc.) — These categories are priority areas for social procurement as they provide significant opportunities for employment and training, have active supply markets and represent low business risk. Social procurement requirements should be integrated into these categories.

Strategic (e.g. Road maintenance, and civil construction and building projects) — Large scale social value opportunities may be available for these projects, but there may be limited social benefit suppliers available. Developing social elements into these projects will take considerable planning, case by case social procurement strategies, and potentially some capacity building for suppliers, but the investment in planning and development may lead to very significant social value benefits.⁸

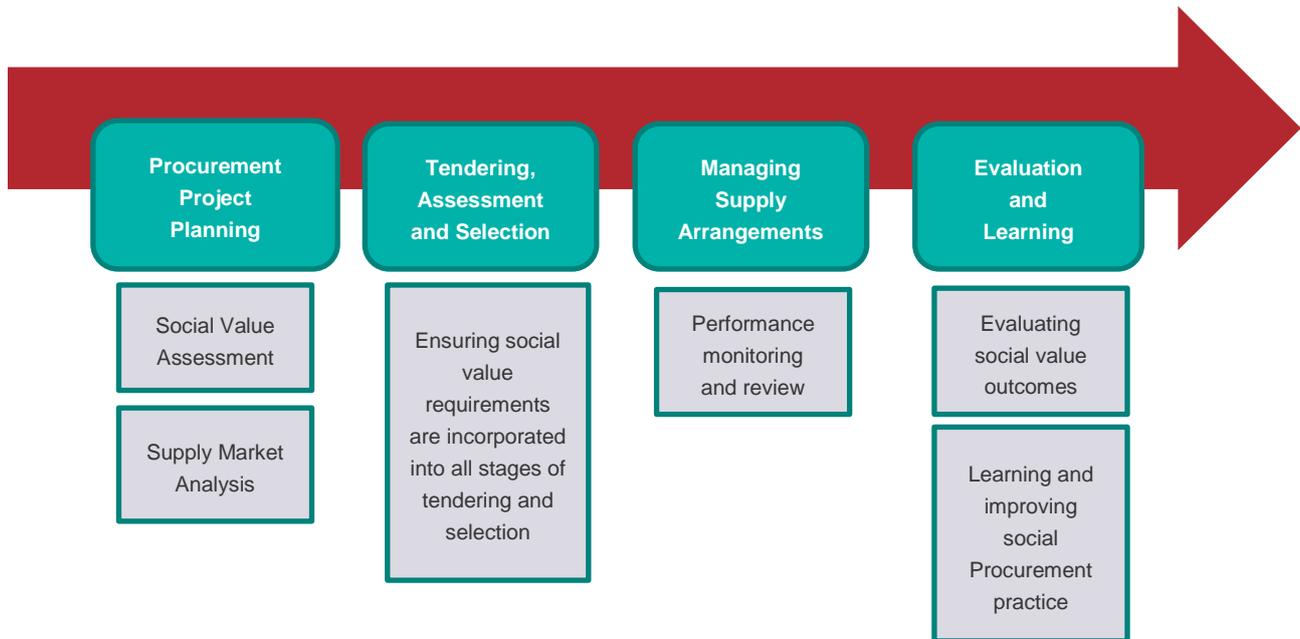
Getting your council ready for social procurement requires leadership, process transparency and commitment. It is important for councils wanting to introduce and implement a social procurement policy to align with the social objectives and outcomes of the council. A social procurement principles checklist incorporating many of the elements discussed in this chapter is available on the [DELWP website](#).

7. Peter Kraljic, "Purchasing Must Become Supply Management", Harvard Business Review, September 1983

8. A Guide to Achieving Social Value through Public Sector Procurement, NSW

4.5. IMPLEMENTING SOCIAL PROCUREMENT IN A PROJECT LIFECYCLE

The following section discusses the incorporation of social procurement into each stage of a procurement project life cycle. It provides guidance to implement social procurement. It provides a short guide that breaks the process into four stages of the procurement project cycle:



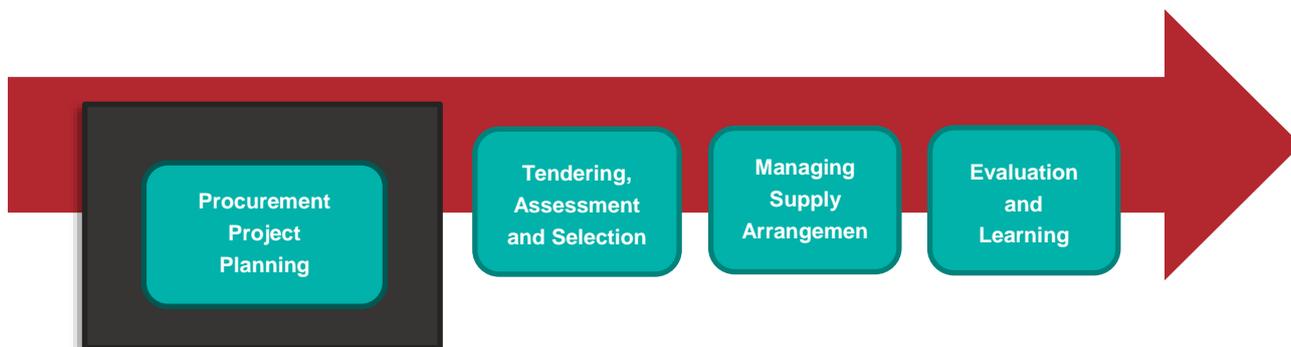
It is important to note that the fundamentals of the procurement lifecycle are not changed by the consideration of social procurement. At the project level and as part of the incorporation of social value into a tender and contract it is possible to consider legal, policy implications or barriers that may need to be addressed.

Specifically, any procurement project incorporating social value should assure

- Transparency and openness;
- All potential suppliers are clear about any social value requirements and relevant weightings from the beginning of a procurement process;
- All suppliers are treated fairly, including any potential social benefit suppliers; and
- Social value is considered within a value for money framework, and the purchase optimises benefits against the allocated budget and costs required to achieve the best result for the local community.

These are requirements of all procurement projects whether including social requirements or not.

4.6. STEP ONE – PROCUREMENT PROJECT PLANNING



At the earliest procurement planning stages, it is important to provide a rationale for initiating a social element or incorporating new social value into an agreed procurement. The project plan or business case (if required) should set out the costs and benefits of incorporating social benefit requirements into a contract, and include a social value and risk management assessment and mitigation plan. Early work in the planning phase can be an excellent way for refining the specifications and procurement strategy, clarifying outcomes and linking policy objectives. It can also provide an opportunity to refine selection criteria, and performance measures.

A council's social procurement policy (if it has one) should ideally provide guidance on the strategic procurement options for the council. However, a policy is not enough to achieve improved social outcomes. Mapping the marketplace, and applying these insights to the procurement project in question is required to meaningfully implement a council's social procurement policy.

Analyse spend

It is critical for the council to analyse spend in a given area. A spend analysis will identify spend categories where social procurement potential is generally more advanced and where a direct sourcing opportunity or a sub-contracting opportunity via a head contractor can be considered.

Understand and Map the Marketplace

This process involves research and analysis to identify and assess opportunities, risks and issues associated with generating social value in a project. The outcomes of this work can inform the project plan and feasibility studies, ensuring that social value is embedded at the earliest stage of a project. Using an Expression of Interest (EOI) to understand capability and then applying the above options could be an additional step.

Council procurement teams can introduce social procurement and performance reporting as part of the regular contract performance review. Large suppliers may already manage and report on local and social KPIs for other clients, and may adjust to this additional focus relatively easily. It is another great opportunity to work with large suppliers on social priorities, and inform them of the strategic advantage for future procurement opportunities if they adopt early. It is recommended to map out peak bodies and networks, and other organisations who can support mainstream suppliers to deliver on the social objectives in a contract and who could provide market intelligence about potential social benefit supplier in order to prepare for a supply market analysis. A list of relevant organisations may be found in Appendix Two – Further Reading and Resources.

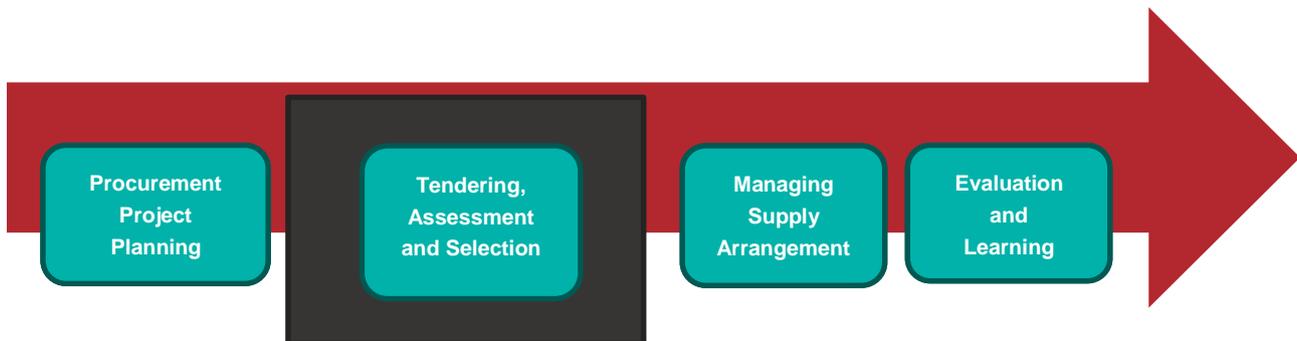
Mapping of peak bodies, organisations and networks can support a social procurement process. Detailed guidance and methods to undertake this work is available on the [DELWP website](#).

A value assessment is another step in clarifying the suitability of a social procurement project and how it may be implemented. This can also extend from the previously undertaken mapping.

Example of a value assessment:

Social Value Goal <i>(examples only — generate directly from your own social objectives)</i>	Opportunities within the contract	Opportunities within the broader supply chain <i>(e.g. sub-contracting)</i>	Potential risks and how they could be managed	Any other issues for further consideration
Employment	Setting targets for participation of particular groups.	Targets for subcontracting of specific elements to social benefit suppliers.	Supplier Reaction: Briefing sessions to inform and prepare suppliers for inclusion of clauses; Underperformance: Clear and achievable targets	Capacity building Opportunities for social benefit suppliers should be considered. Evaluation and learning frameworks should be in place.
Fair Trade	Inclusion of fair trade clauses in catering contracts to ensure use of fair trade tea and coffee.	Emphasis of fair trade commitment to be demonstrated in supply chain of appointed contractor.	Supplier Reaction: Briefing sessions to inform and prepare suppliers for inclusion of clauses; Extra Costs: Market analysis of fair trade supplies	Links to sustainability objectives Need for a supplier market analysis to ensure best value fair trade supply chains

4.7. STEP TWO – TENDERING, ASSESSMENT AND SELECTION



Once a council establishes that a contract should incorporate a social procurement element, this then needs to be applied to the tender and contract documents. Any social benefits, and respective specifications and evaluation criteria, should be made clear, achievable and transparent in all relevant procurement documents. This is typically done through the inclusion of clauses and terms in a contract ensuring that the supplier delivers social benefits in addition to the goods/services.

There are no 'standard' social clauses or templates that can be inserted into any given contract. Rather, what is outlined in social clauses will depend on what is sought in individual contracts, and how it will be weighted or evaluated in relation to the overall deliverables.

Social clauses need not be aspirational goals; they need to be appropriate to procurement objectives and measurable deliverables, just as the provision of goods or services are core to the contract. In short, they need to be designed in a way to be enforceable in a contract.

Social clauses may include:

- Reference to measurable performance indicators or social impact measures;
- information regarding the reporting of impacts by the supplier/contractor;
- how the impacts will be monitored by the council; and
- what review processes are in place to evaluate the contractor's performance in relation to achieving the agreed impacts.

It is common to include a method statement (or tender schedules) in tender documents containing social clauses outlining what social impacts are sought and how they will be achieved.

The two ways that social clauses may be incorporated into a contract are:

- the contract specifies impact targets directly and include specific Key Performance Indicators (KPIs) of social outcomes in a contract clause if they wish to specify particular social benefits that suppliers should deliver within the contract – for example, a certain predetermined number or percentage of tenants to be employed;
- tender document asks the contractors themselves to outline and set the targets of what special impacts can be delivered if their bid is successful.

In all cases, it is important to assess the appropriateness of incorporating social clauses; link them clearly to the particular social objectives of the council; and develop clear social clauses on a case-by-case basis for each contract.

Applying social procurement principles into practice necessitates the writing of specific clauses in tender and contractual documents. Some examples are provided in Appendix One of this guide. Further details, along with more examples and case studies are provided in the social procurement toolkit on the [DELWP website](#).

Evaluation Criteria:

Social benefit requirements set out in tenders need to be supported with specific evaluation criteria which outline what is expected from suppliers in their response to a tender. Evaluation criteria, which will have been determined as part of the preparation of the tender documentation, should be specific and tangible, and should be clearly and transparently included within tender documents, though the weightings may or may not be included. Clear evaluation criteria flow from clear articulation of social objectives and priorities. If it is proving difficult to establish evaluation criteria, it may be necessary to revisit the objectives at this stage.

Tendering Methods:

Councils have open to them a range of options for fulfilling their procurement needs. Choosing between these options will initially be determined by the value of the procurement relative to the legislated threshold and the risk profile of the project. However, in the development of the Sourcing/Procurement Strategy, consideration of the most appropriate methods to achieve the project objectives is vital. Methods may include: open tendering, selective tendering, or cross-council collaboration.

Key steps to including social benefit requirements in tendering, assessment and selection processes, including a basic checklist, is available on the [DELWP website](#).

4.8. STEP THREE – MANAGING SUPPLY ARRANGEMENTS



The aim of the management of contracts with a supplier is to ensure that goods and/or services are provided, and delivered in accordance with the contract. This includes management of suppliers to meet required social value targets.

The management and review of social value objectives in a contract is no different from the monitoring of other supply objectives, such as quality, reliability and price. Social value objectives should be built into Key Performance Indicators, but must also be subject to contract reporting requirements, and should be raised at any regular meetings or discussions with suppliers.

The reporting requirements of a contract should specify the target outcomes, the indicators for achieving these outcomes, the reporting terms and times, and the methods that will be used to review and finally evaluate the contracts. The more seriously a buyer is about achieving social value in a contract, the more the social objectives should be built into the ongoing management of supply arrangements.

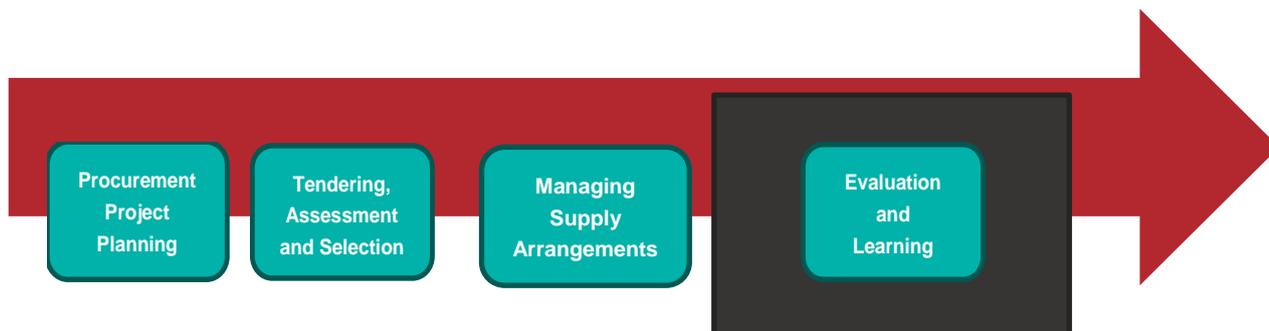
Key Performance Indicators (KPIs) are often included in contracts to specify the core outputs and outcomes sought, to monitor and evaluate performance, and to ensure that suppliers meet their responsibilities.

Unmeasurable outcomes significantly diminish the likelihood of success in social procurement.

KPIs therefore need to be clear and specific — so rather than “provide opportunities for employment of people who have experienced long term unemployment”, a contract may specify a number of people to be employed for each part of the project, or as a percentage of overall employment, or as relative to the overall project value (so, for example, xx number of people for each \$500,000 of project value). Alternatively, rather than stating a general commitment to diversity and equality, a contract may specify how suppliers should demonstrate their commitment to these aims by reporting on, for example, the number of minority owned subcontractors in their supply chains for a particular project.

Any specific contractual commitments made in relation to social benefit objectives need to be incorporated into a contract and then monitored.

4.9. STEP FOUR – EVALUATION AND LEARNING



Evaluating social procurement

Determining social impacts sought through social procurement have been met is critical to the success of future initiatives. Ensuring that methods and mechanisms are in place for measuring both the service deliverables and the social impact dimensions of the process (particularly if this involves purchases and/or contracts), will assist in managing the procurement.

There are a growing number of readily available social impact measurement tools online that can be used to easily evaluate social processes. There are of course a number of scenarios where social impacts prove difficult to measure and monitor. For example, it is easy to determine whether the number of new employees meets contractual obligations, but other social impacts such as community pride or wellbeing are less quantifiable. A social procurement project should merit its own relevant measures to assess its impact. Good evaluation can also ascertain how well the local government organisation (the procurer) has responded to the challenge of implementing social procurement.

Measuring and Tracking Social Value

A key criterion for evaluating, tracking and reporting on the performance of a procurement is that it is simple and concise. The purpose of evaluation in the social procurement context is to measure the social value generated and to assess whether this reaches the expected or targeted social value articulated in a contract.

At a contract level, measurement should be output focused, and centred on assessing if suppliers have achieved social value targets through clear, tangible and achievable indicators. If the contract is large or of particular importance, it may be necessary to also track outcomes over the life of a contract, as this may help to build understanding and community support for incorporating social value into the procurement process. In relation to social procurement, measurement of social value needs to be commensurate with the overall value of a contract, and be relative to the evaluation demanded of other project deliverables.

The opportunities for evaluating the social value accrued through a contract should be built into the whole procurement process, starting from outlining the social objectives in the planning stages, and extending through how this social value is specified in a contract; how it is monitored and made clear in contract KPIs and reporting requirements; and then finally, how it is evaluated at the end of a contract period.

Tools to support procurement project evaluation are available on the [DELWP website](#).

5. LEGAL CONSIDERATIONS OF SOCIAL PROCUREMENT – TENDERING AND CONTRACTING

Councils need to ensure that they understand and comply with all relevant legal and regulatory frameworks when they implement social procurement.

One of the biggest obstacles to increasing and broadening the use of social procurement processes in councils is the misinterpretation of the legal considerations. It is important to note that social procurement is in line with procurement strategies and approaches and does not imply excessive risk or operate outside legislative structures.

This Chapter presents a brief overview of the relevant legislative and policy frameworks. It does not constitute a comprehensive analysis or thoroughly address all relevant legislation. It is recommended that councils seek professional legal advice about their social procurement initiatives appropriate to the level of risk.

5.1. PUBLIC PROCUREMENT PRINCIPLES IN LOCAL GOVERNMENT

Public procurement processes are based on a number of basic principles and social procurement follow the same procurement principles:

- Best value – the benefits of the purchase is weighted against the costs necessary for the optimum result for the local community. This principle does not imply that the cheapest option is the best value
- Open and fair competition – all suppliers are treated fairly, in an open and transparent manner and have access to the same information
- Accountability – there is consistency in the approach to procurement across the whole organisation through coherent frameworks, policies and procedures
- Risk management – strategies for managing risks associated with all procurement processes are in place and consistent
- Probity and transparency – public procurement processes must be conducted in a fair, honest and open manner, with the highest levels of integrity and in the public interest.

5.2. LEGAL CONSIDERATIONS

Legislation does not restrict what is procured, rather that is for individual councils to decide in alignment with their plans, strategic goals and objectives.

The key legislative framework that regulates the process of all local government procurement in Victoria is the *Local Government Act 1989* (the Act). The Act and the procurement policies of individual councils are the primary reference point for how all procurement, including, social procurement should be carried out.

A full copy of the Act can be found at www.localgovernment.vic.gov.au or via the website of the Parliament of Victoria.

The Act operates alongside trade practice law and local governments must be mindful of their continuing compliance with both areas of law. In some circumstances, it may be possible to meet the requirements of the Act but breach trade practice law. As is true with most procurement practice, the *Trade Practices Act 1974* is unlikely to apply unless procurement activities significantly lessen competition.

To undertake social procurement, local government must comply with all general requirements relating to procurement and in addition should ensure that:

- the procurement policy of the council specifically provides for the inclusion of social benefit considerations in procurements;

- the request for tender/quote materials for a particular procurement clearly state that social benefits will or may be considered, with details about the kinds of benefits that will or may be considered;
- if social benefits form part of the basis for selection of a particular service provider, that the benefits are clearly articulated in terms of benefit to the community and financial benefit in a manner that demonstrates the contribution of the benefit to the council's objectives as set out under s3C of the Local Government Act 1989 (Vic).

This will meet the relevant requirements of the *Local Government Act 1989* (Vic) and minimise the risk of challenges to the procurement process under common law.

The full 2017 legal opinion of the Victorian Government Solicitor's Office on social procurement can be provided to councils on request. The 2013 Victorian Local Government Best Practice Procurement Guidelines is also a key reference for local government procurement practitioners.

6. CONCLUSION - NORMALISING SOCIAL PROCUREMENT - WHERE TO NEXT

This Guide has been developed due to growing interest from councils and the development of social procurement policy by the Victorian Government. The growing discussions of social procurement has the potential to change the ways that councils do business and make social procurement just a part of everyday business.

Signalling a departure from the view of procurement as a simple transactional function, procurement should increasingly be recognised as a process of strategic value in achieving the goals and objectives of an organisation. This is especially so when so much of the budget of local governments is spent via procured goods and services. The local government sector is witnessing enthusiasm and commitment to drive its procurement dollar further through procurement that is aligned with council plans and their broader policies.

In this spirit, this Guide may be used as a starting point for local governments to creatively apply their own approaches. Victorian local governments already have strong informal networks supporting the exchange of ideas. They have many capable and committed people with a broad range of skills and experiences. Good practice in social procurement is therefore well positioned to be tried, tested and shared across all 79 local governments. The Victorian Government too - as it is committing to a renewed social procurement approach - can also learn from the experiences of all Victorian local governments.

As this Guide has highlighted, council policy and procedures can be implemented to ensure that procurement not only delivers probity, best practice and value for money, but also contributes to the building of stronger Victorian communities. Procuring through a framework that goes beyond value for money is an ambition that is not too difficult to realise. It often requires little more than having a collective go; understanding that the price of failure is less than not trying at all.

Good luck!

7. APPENDIX ONE – SAMPLES OF INTEGRATION OF SOCIAL PROCUREMENT INTO CONTRACTS AND TENDERS

This section provides a sample of example tender and contract clauses that a local government could consider in order to implement social procurement. They have been derived from real life examples but deidentified where appropriate. Further examples and case studies are available in the social procurement tool kit on the [DELWP website](#).

The following are sample clauses that could be included in Part 2 (Special Tendering Conditions) of Councils standard Request for Tender template:

Sample clause 1:

Optional social procurement considerations

For use when the council wishes to invite solutions from social traders but such solutions could be one of a number of solutions considered (including commercial solutions) and the council does not wish to be bound to select a solution that includes social benefits.

PART 2. SPECIAL TENDERING CONDITIONS

2.1 In evaluating the Tender Responses, Council may take into account the extent to which Tender Responses demonstrate solutions that will or may provide any or all of the following benefits:

- (a) promotion of the social, economic and environmental viability and sustainability of the municipal district;
- (b) efficient and effective use of resources and provision of services in accordance with the Best Value Principles to best meet the needs of the local community;
- (c) improvement of the overall quality of life of people in the local community;
- (d) promotion of appropriate business and employment opportunities; and
- (e) provision of services and facilities that are accessible and equitable.

2.2 Council is not obliged to select a Tenderer on the basis of the above considerations.

Sample clause 2:

Mandatory social procurement considerations

For use when service delivery that includes social benefits of some kind is the preferred solution and the council does not wish to select a solution that does not incorporate social benefits.

PART 2. SPECIAL TENDERING CONDITIONS

2.1 In evaluating the Tender Responses, Council will take into account the extent to which Tender Responses demonstrate solutions that will or may provide any or all of the following benefits:

- (a) promotion of the social, economic and environmental viability and sustainability of the municipal district;
- (b) efficient and effective use of resources and provision of services in accordance with the Best Value Principles to best meet the needs of the local community;

- (c) improvement of the overall quality of life of people in the local community;
- (d) promotion of appropriate business and employment opportunities; and
- (e) provision of services and facilities that are accessible and equitable.

2.2 Tender Responses that do not demonstrate any of the above benefits are unlikely to be successful.

Sample clause 3:

Definitions, descriptions and wording to be used and considered in Councils legal framework to undertake social procurement

1. 'Social procurement' by local government means the procurement of goods and services by councils that seeks to contribute to the future sustainability of communities and to improving the quality of life of their constituents by procuring goods or services in a manner that seeks to strategically address particular social issues in the community.

2. Local government may legally conduct social procurement, provided the constraints in the following three areas of law are observed:

2.1. Legislation governing local government (*Local Government Act 1989* (Vic) and subordinate and other related instruments);

2.2. Common law relating to procurement; and

2.3. Trade practices law.

3. The requirements in relation to each of these areas of law are described below.

3.1. Local Government Act 1989 (Vic) and related instruments

When conducting social procurement, local governments must comply with the general requirements relating to all procurements as set out in the *Local Government Act 1989* (Vic) (LGA) and related instruments, unless an exception or exemption applies. Information on the requirements relating to all procurements is outlined in the *Local Government Procurement Best Practice Guideline* (Department of Planning and Community Development, August 2008).

3.2. When applied to social procurement, the key sections of the legislation are:

(a) Section 3C of the LGA, which provides 'Objectives of a Council'

(1) The primary objective of a Council is to endeavour to achieve the best outcomes for the local community having regard to the long term and cumulative effects of decisions.

(2) In seeking to achieve its primary objective, a Council must have regard to the following facilitating objectives-

(a) to promote the social, economic and environmental viability and sustainability of the municipal district;

(b) to ensure that resources are use efficiently and effectively and services are provided in accordance with the Best Value Principles to best meet the needs of the local community;

(c) to improve the overall quality of life of people in the local community;

(d) to promote appropriate business and employment opportunities;

(b) Section 136(1) of the LGA, which provides 'Principles of sound financial management'

(a) A Council must implement the principles of sound financial management.

(c) Section 186 of the LGA, requires local governments to undertake a competitive process to test the market before entering into contracts for the purchase of goods or services with a

value of \$150,000 or more or for the carrying out of works with a value of \$200,000 or more,⁹ unless specified exceptions apply.

- (d) Section 186A of the LGA, requires local governments to prepare, approve and comply with a procurement policy and make the policy available on the council's website.
- (e) LGA Division 3 of Part 9, which sets out the Best Value Principles that the local governments must comply with in using resources. In particular, s 208B provides:

208B Best Value Principles:

- (a) all services provided by a Council must meet the quality and cost standards required by section 208D;
- (b) subject to sections 3C(2)(b) and 3C(2)(e), all services provided by a Council must be responsive to the needs of its community;
- (c) each service provided by a Council must be accessible to those members of the community for whom the service is intended;
- (d) a Council must achieve continuous improvement in the provision of services for its community;
- (e) a Council must develop a program of regular consultation with its community in relation to the services it provides;
- (f) a Council must report regularly to its community on its achievements in relation to the principles set out in paragraphs (a), (b), (c), (d) and (e).

The following example is derived from a public housing contract drafted by the then Victorian Department of Human Services

The Requirement

The employer is required to employ public tenants effective full time (EFT) for a period totalling the original contract period at the following rates:

One effective full time employee where the contract exceeds \$300,000 including GST

One additional effective full time employee for each further \$300,000 including GST, increase thereafter

Effective Full Time Employment

Tenants employed must have same conditions and contracts that the contractor usually uses on the site.

Tenants may be employed on this site for a period shorter than the original contract period provided enough tenants are employed on this site or elsewhere in order to achieve the total number of effective full time hours required.

Tenants may be employed to work in any type of role.

Tenants working for the contractor or via a related subcontractor on this site or sites other than Office of Housing may be counted towards meeting requirements.

Public Tenant Employment

PTEP was established to address the high level of unemployment of people living in public housing in Victoria through the inclusion of employment criteria in Office of Housing contracts.

Recruiting

The contractor may recruit from any source, but PTEP provides a free recruitment service. PTEP will advertise your PTEP vacancies and provide you with resumes of suitable applicants to select from.

Training/Induction

Usual OH&S and induction training shall be provided to ensure workers are competent for the tasks they are employed for. Traineeships and apprenticeships are good ways of providing employees with a free qualification. These attract subsidies and PTEP can assist you with this.

Monitoring and Reporting

At the commencement for each tenant employee complete the provided form *Public Tenant Employee Registration Form* and return it to PTEP.

Provide quarterly reports and a report at the contract completion using the provided form *Public Tenant Employee Reporting Form*

Provide a verbal report at each site meeting

On commencement of the project the following forms will be provided to builder

Declaration: The Employer in making this tender submission:-

Agrees to take all reasonable steps to comply with the Public Tenant Employment Program (PTEP) principles, and agrees to make every endeavour to employ persons who qualify for that program.

Agrees that compliance with PTEP commitments will be monitored as part of overall performance management, and

Acknowledges that failure to comply with a PTEP Statement will be centrally recorded by the Victorian Government and may be taken into account when considering subsequent tenders for VIPP purposes.

The following example of a tender condition is reproduced from specifications used by VicUrban in a tender for a large urban renewal and construction tender.

1. Employment and Training

Describe the steps that will be taken to ensure that local apprentices, trainees, unemployed persons and residents of the City of Large Southport will be engaged for the duration of each contract. Describe how you will achieve compliance from sub-contractors necessary to meet the employment requirements.

Describe your policy with regard to training and new apprenticeships and identify and describe opportunities for increasing skills of employees.

Targeted Recruitment

Describe the steps that will be taken to ensure that all vacancies, including those with subcontractors, are notified to local agencies.

Describe the steps that will be taken to ensure that information on the numbers of vacancies filled by local people are recorded for monitoring and reporting purposes.

Describe the steps that will be taken to ensure that suitable apprentices / trainees are engaged.

Local Business

Describe activities that you will undertake to identify local SMEs and assess their capacity to deliver works, services or supplies that are required for the contract.

Describe any actions you will undertake to support or assist local SMEs to obtain contracts in relation to the Revitalising Southport initiative.

Social Enterprise

Describe any experience or evidence from other areas that has influenced your thinking on support for social enterprises.

Describe the support you will give to social enterprises, including development support, business support and funding.

Please complete the table below setting out the activities that could be made available to a social enterprise.

Activity / Occupation	% of overall spend

Contractors are also required to complete information about how the above will be recorded, monitored and reported, including sub-contractor requirements. In addition contractors are required to name who will be responsible for ensuring that the Community Benefit requirements are met.

Finally, potential suppliers are required to list the predicted outcomes for each community benefit requirement.

Requirement	Unit of Measure	Predicted Outcome
Number of new recruits	No. of people	
Number of apprentices that will be recruited	No. of people	
Number of trainees that will be recruited.	No. of people	
Level of local content	No. of people	
Vacancies to be advertised.	No. of vacancies	
Work opportunities for social enterprises	% of overall spend	
Work experience opportunity	No. of placements	
Local SMEs assessed as potential suppliers	% of overall spend	

The following example is an extract from a collaborative local government tender for facility maintenance services that stipulated compulsory social procurement requirements.

1. Please clarify your current level of local engagement with the participating Councils

	Council A	Council B	Council C
Is the Tenderers business located within the Council boundary?	YES/NO	YES/NO	YES/NO
How many staff does the Tenderer employ that reside within the Council boundary?			
What is the percentage of goods/services/materials proposed for this contract that will be sourced from within the Council boundary?	%	%	%

2. Please also clarify any proposals you have to establish a local presence within any of the Councils?

Please respond here.

3. Please also specify what major items are to be purchased from within the Council boundaries mentioned above.

Material Description	Name & Address of Company Supplying

4. The Collaborating Councils are eager to implement a solution that also delivers sustainable local social and economic benefit. Tenderers are required to commit to recruiting two new full time permanent positions within their organisation within the first 6 months of this contract using resources located from within EACH of the Participating Councils. The new resources do not necessarily need to be associated with the resources required for this contract.

Please note that this is a MANDATORY requirement.

The Tenderer must also endeavour to maintaining these positions for at least the life of this contract.

For Council A

Council A supports and advocates for local employment of people being financially vulnerable, disadvantaged, homeless and those at risk of being homeless, and works with external local health and social services agencies and partners to facilitate such opportunities.

The Contractor will be required to employ people from financially vulnerable, disadvantaged, homeless or those at risk of being homeless.

Council A expects that the employment positions will be located in reasonable proximity if not within Council A, be on-going, allowing individuals to learn, grow and build skills, and self-respect.

To enable and realise the local employment opportunities, Council A will work, help and assist the Contractor in achieving this requirement by:

- Introducing the Contractor to the relevant agencies and partners
- Identifying and providing a list of potential local people
- Working with the Contractor in identifying the needs of the potential employee and in matching with the available employment opportunities
- Collaborating with the Contractor in the interview and selection process
- Where practicable, contacting local support agencies who may assist and provide support to the future potential local employees.

For each of Council B and Council C

Council B and Council C prefers that the Contractor focus on areas of recruitment from disadvantaged groups including but not limited to youth people, indigenous communities, people with disabilities, refugees or long term unemployed.

The Contractor will need to provide a plan, as part of the Tender submission, on how they will meet or exceed each Councils local employment requirement.

Please respond here.

Please also declare if you believe that there are any extra cost imposts on your business to fulfil this MANDATORY requirement? If so, what are those costs and are you proposing to include those costs within your proposed tendered lump sum price?

Please respond here.

-
5. Please also describe any other social sustainability investments that your organisation makes to other local committees or charitable organisations?

Please respond here.

9. APPENDIX TWO - FURTHER INFORMATION AND RESOURCES

ISO 20400 Sustainable Procurement Guidance

ISO 20400, Sustainable procurement – Guidance is the world's first International Standard for sustainable procurement and aims to assist organisations in meeting their sustainability responsibilities by providing guidance as to the effective implementation of sustainable purchasing practices and policies.

Under the ISO, sustainable procurement is defined as “procurement that has the most positive environmental, social and economic impacts possible across the entire life cycle and that strives to minimize adverse impacts”.

ISO 20400 also lists a range of principles to be upheld if an organisation is to embrace sustainable procurement, including accountability, transparency, ethical behaviour, respect for human rights and a focus on innovation and improvement.

It is envisaged that ISO 20400 will complement *ISO 26000:2010*, Guidance on social responsibility. This is because ISO 20400 directs organisations to minimise their environmental footprint, review their impact on human rights and act to positively contribute to society and the economy.

Social Traders

www.socialtraders.com.au

Social Traders is a non-profit organisation established in 2008 to support and encourage the establishment of commercially viable social enterprises throughout Australia. Working with government, community, business and research partners, they aim to:

- Raise awareness about social enterprise and demonstrate its benefits
- Open up markets for social enterprise products and services
- Increase finance available to start and develop social enterprises
- Build capacity of social enterprises to trade successfully
- Support the coordination of social enterprise development in Australia.

Social Traders also manages a directory of social enterprises in Australia, which is useful for finding social enterprise suppliers.

Social Procurement Australasia

www.socialprocurementaustralasia.com

Social Procurement Australasia is a group of individuals and organisations who believe in the potential of procurement to deliver social impact above and beyond the product or service being purchased. Social procurement is a tool for change whose time has come. Social Procurement Australasia is committed to the advancement of social procurement in Australia and the region.

Australian Disability Enterprises (ADE)

www.australiandisabilityenterprises.com.au

Businesses developed to employ people experiencing difficulties in finding or maintaining employment in mainstream businesses due to disability, or people who choose to work in an ADE. ADEs have a dual focus

of providing employment for people with a disability and operating a commercial business. There are 415 ADEs that employ approximately 22,000 people with disability across Australia.

Procurement Australia

www.procurementaustralia.com.au

Established in 1985 to aggregate the buying power of local government entities in Victoria, Procurement Australia works in partnership with both buyers and suppliers to ensure that best value collaborative purchasing arrangements are achieved.

Social Ventures Australia

www.socialventures.com.au

Social Ventures Australia (SVA) is a social purpose organisation that works with partners to improve the lives of people in need. Their services are designed to scale social impact, helping business, government and philanthropists to be more effective funders and social purpose organisations to be more effective at delivering services. To drive the change we seek, we build on our practical knowledge of effective practice in education, employment, housing and with First Australians. As a values-driven organisation, accountability, integrity, respect and humility underpin our work.

MAV Procurement

www.mav.asn.au

The Municipal Association of Victoria's Procurement arm supports Victorian councils to achieve better procurement outcomes by facilitating group purchasing arrangements, providing training and support for local government procurement professionals, delivering national procurement programs and working with the Victorian Government to compile data, establish best practice and promote policy development.

Centre of Social Impact

<http://www.csi.edu.au/>

CSI is a partnership between the Business School of the University of New South Wales, the Asia Pacific Social Impact Leadership Centre of the Melbourne Business School, Swinburne University of Technology and the University of Western Australia. CSI brings together the business, government, philanthropic and not-for-profit sectors in a collaborative effort to build community capacity and generate social innovation. It seeks to create beneficial social impact in Australia through teaching, research, measurement and the promotion of public debate.

Supply Nation

www.supplynation.org.au

Supply Nation is the Australian leader in supplier diversity, established in 2009 to connect our membership of Australia's leading brands and government with Indigenous businesses across the country. Supply Nation's rigorous registration and certification processes ensure our members can be confident of Indigenous ownership. With Indigenous businesses active in every state and territory, in every industry sector, Supply Nation has been central to the growth of a new economic force.

Supply Nation is proud to be the first and pre-eminent supplier diversity organisation in Australia. To fulfil targets in the Indigenous Procurement Policy, government has mandated that buyers consult Indigenous Business Direct to access Indigenous businesses

ArcBlue

www.arcblue.com.au

ArcBlue Consulting provides a range of programs to assist public, private and not-for-profit organisations in effectively incorporating social procurement into their projects and organisational practice.

Their Social Procurement Training and Development Programs have been designed to respond to the growing desire of many organisations to integrate their social, community and economic development objectives, and their modern commitment to Corporate Social Responsibility (CSR), into procurement projects and mainstream organisational activity.

Local Government Victoria (LGV)

<https://www.localgovernment.vic.gov.au>

LGV, a part of the Victorian Department of Environment, Land, Water and Planning and works in partnership with the local government sector to improve business and governance practices. LGV employs policy, legal, governance and finance professionals to ensure this partnership and the workings of local government are accountable and represent good value to communities.

Along with providing policy advice to the Minister for Local Government, LGV oversees the administration of the *Local Government Act 1989* and other relevant legislation.