

Social Procurement

Can you buy better?

Social Procurement is the generation of social value and positive social outcomes through purchasing and procurement processes. Social procurement and purchasing can have direct and indirect approaches.

Definition

1. A **direct approach** involves purchasing from for-social benefit entities such as not for profits, social enterprises, Australia Disability Enterprises, Aboriginal owned businesses, social businesses, worker or community owned cooperatives and others.
2. An **indirect approach** involves including social clauses (e.g. employment targets for long term unemployed) in regular contracts with private sector providers, or screening supply chains for ethical considerations.

Benefits of Social Procurement

- Integration- achieving social and economic goals and addressing community issues as part of the way you do business.
- Innovation- encourages innovation and development of new forms of partnership and service delivery models.
- Organisational reputation and competitive advantage- being able to demonstrate value in delivery.
- Planning- creating a managed, systematic and achievable purchasing and procurement plan.

Setting objectives

Your objectives for social procurement will vary considerably depending on things like organisation size, appetite and scope for change and leadership within the organisation. Setting some clear and measurable objectives will help keep focus on the end goal.

For example Gold Coast Council have the objective “To reduce the unemployment rate on the Gold Coast to the unemployment rate for the rest of Australia using social procurement”¹.

Peter Morichivitis, Chief Procurement Officer, City of Gold Coast.

A Social Procurement Strategy



Policy

Setting your objectives will help to clarify the policy and processes you will require within your organisation and the focus of your social procurement activity.

A template social procurement policy that you can adapt for your organisation is available on the Illawarra Forum website.

Communication and Education

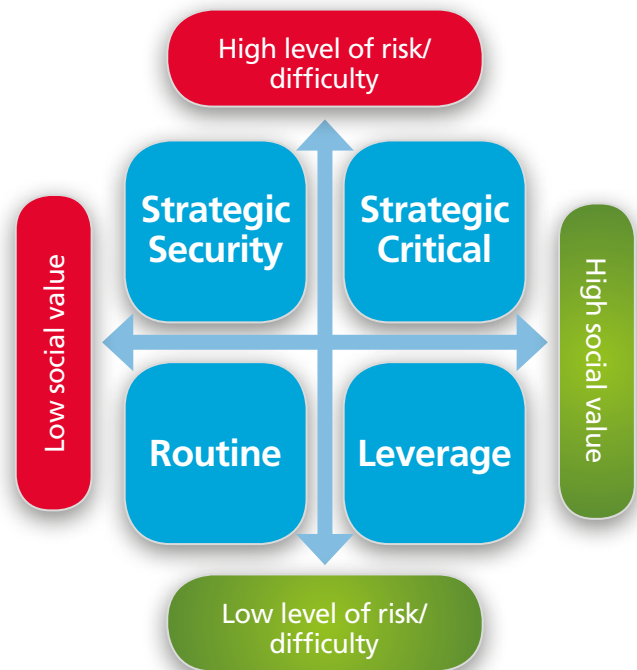
Once you have clarity around purpose and process, getting internal buy in will help to make social procurement part of normal business. Identify key supporters and influencers within your organisation who can help with this.

Opportunity Analysis

To help identify areas where you could start introducing social procurement, you can use the matrix developed by Social Traders and Arc Blue.

Routine items might include office stationary or supplies. These are low risk and easy to implement, but may deliver less social value.

Projects that fit into the “leverage” box provide high social value and low risk and are a great area to focus on. For example cleaning and maintenance contracts for housing providers, landscaping services in retirement villages etc.



Supplier Analysis

Identification of suppliers can be easy in some cases and more complex in others depending on the type of product or service you are looking for. What is important is that potential suppliers understand your policy on social procurement, and how this could impact on your relationship.

For example if you have a long standing relationship with a supplier, or a long contract in place but they do not meet your new criteria, it may be worth having a conversation to see if they can adapt their current offerings or their own supply chains to increase the social value created.

Additional Information:

Social Traders www.socialtraders.com.au

ArcBlue www.arcblue.com.au

Good Spender www.goodspender.com.au

Social Procurement Australasia
www.socialprocurementaustralasia.com



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