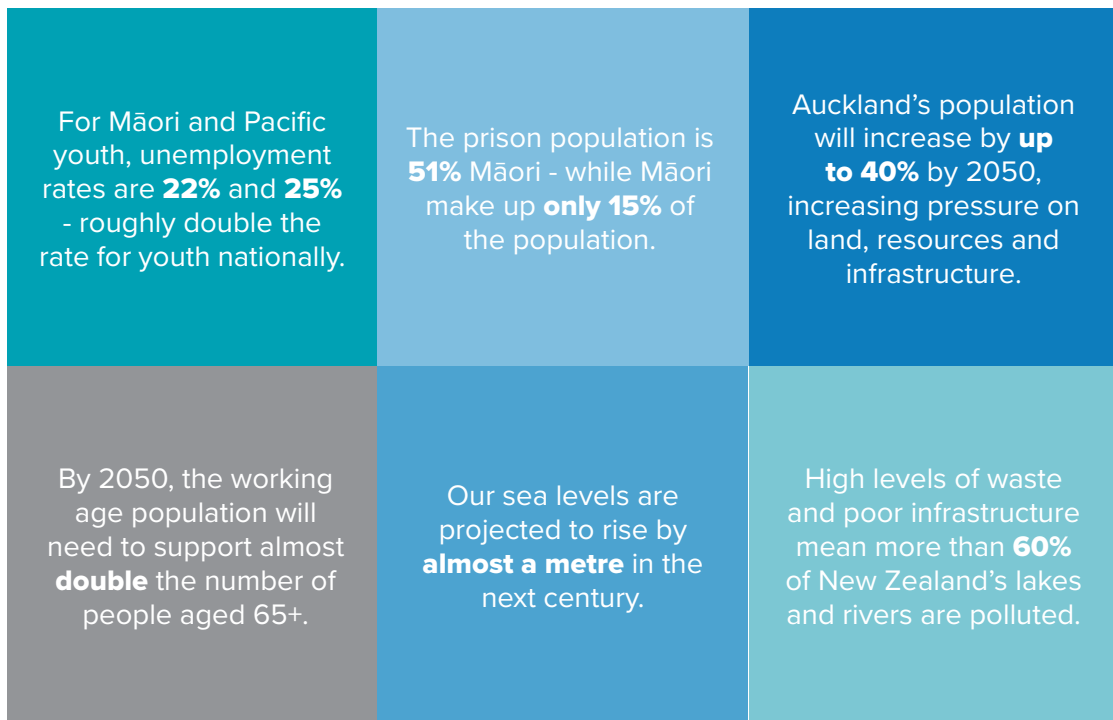


# The Social Procurement Toolkit

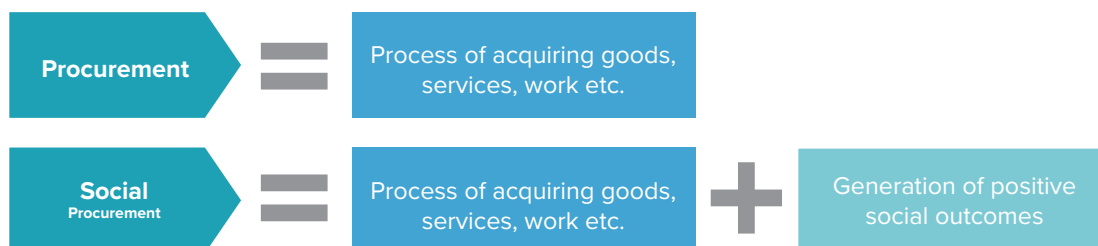
Social procurement encourages companies tendering for Government projects or contracts to demonstrate not only the ability to deliver, but how they will positively contribute to the communities in which they operate. The Social Procurement Toolkit provides a practical way to embed and deliver social outcomes in contracts and projects to help address these challenges.



Social inequality, high population growth and environmental degradation are the three high-level challenges set out in the Auckland 2050 plan. The importance of responding to these is highlighted by sobering statistics, such as:



There is significant opportunity to address challenges through a 'sustainable outcomes' or 'social procurement' model, by deriving social value from the supply chain in addition to pursuing quality and value. Every dollar spent as part of a large contract can go much further by targeting social, economic, environmental or cultural improvements.



## The challenge

The challenge in adopting a 'sustainable outcomes' approach has been the lack of practical tools available to assist implementation – while also maintaining best value and service to ratepayers. Furthermore, there is a significant challenge in changing organisational culture to foster a sustainable outcomes approach.

## How the Toolkit was developed

The Auckland Council Healthy Waters department and Height Project Management, a Māori-owned infrastructure consultancy, have worked together for a number of years delivering best value to Auckland ratepayers. These experiences, along with working with large and small suppliers, highlighted the opportunities that exist to achieve positive social and environmental outcomes through operational delivery. Height and Healthy Waters developed a user-friendly Toolkit that can evaluate and quantify the additional contributions made by suppliers.

## How the Toolkit works

The Toolkit works across all social and environmental priorities, and is scalable to projects of any size. It applies the rigour of the procurement discipline with a practical way to incorporate these values into projects. With the volume of contracts at organisations like Auckland Council, it is not feasible to have a sustainable outcomes expert present through each procurement development process. The Toolkit provides the supporting material for operational delivery and procurement teams to easily and practically embed sustainable outcomes solutions. It is simple to use for a non-expert in social and environmental issues.



## Applying a social procurement framework

The Toolkit which Height and Healthy Waters have developed includes a framework which can be utilised at various stages of the procurement process including:

- **Initial Business Case planning** – to support understanding of the social opportunities that lie within a project.
- **Procurement planning** – to inform drafting of the associated Request for Information/Return on Investment (RFI/ROI) or Request for Tender/Proposal (RFT/RFP).
- **Evaluating supplier responses** – providing guidelines, criteria and measures.
- **Performance measurement** – through KPIs as part of the contract documentation.

## Embedding social procurement with easy-to-use tools

The Toolkit supports different stages of procurement with practical, easy-to-use tools:

# 1

### Align organisation with social procurement potential

Review organisational values and strategic outcomes to align with what social procurement means for the organisation.

# 2

### Identify social value opportunities within each project

Identify where social, cultural, economic and environmental opportunities could be incorporated into the project considering the scope of activities.

# 3

### Create RFI/ROI and RFT/RFP questions

Based on the opportunities identified in 'Step 2', use the Toolkit question guide as a template to tailor supplier questions.

# 4

### Evaluate responses

Evaluate supplier responses and their alignment to desired outcomes using the Toolkit evaluation guide.

# 5

### Measure outcomes

Use the Toolkit as a guide to model Key Performance Indicators (KPIs) or consider contract implications / inclusions.



# Strategic Success on the Ground: Te Auaunga Awa Case Study

The Toolkit approach can be illustrated on the ground by developments at Te Auaunga (Oakley Creek).

## Opening up employment to the long-term unemployed:

Healthy Waters is replacing a concrete channel running through Mt Roskill with a wider naturalised stream to prevent ongoing flooding issues. It is a \$20 million contract running from 2017-2019 with Fulton Hogan as lead contractor.

The project team meets regularly with Mana Whenua and key stakeholders to discuss how the project can promote community wellbeing and social outcomes.

Te Whangai Trust was contracted as a social enterprise to develop a native plant nursery at a local school to deliver the more than 100,000 plants required. This whānau-oriented trust was also responsible for creating training and employment pathways for 17 unemployed and underemployed local young people (via Unitec and on-site apprenticeships), 11 of whom completed the qualification and went on to employment with Fulton Hogan and Te Whangai Trust.

**“These people [Te Whangai Trust] they boost your morale from the minute you get into the van. If you are feeling down it doesn’t take them long to get you back up. It’s quite a pushy crowd but they do it with good intentions”**

**“Personally for me, it’s getting off the drugs and booze. That’s been a hell of a positive for me. It’s getting away from a group of people who I’ve known for many years, who’ve done the same thing.”**



## Projecting economic value from social outcomes

Consider the 11 youth who had previously been unqualified, and unmotivated by education and employment, but who were able to successfully train and graduate from the Unitec pre-apprenticeship course with the support of Te Whangai Trust. These 11 graduates then got contract and permanent jobs with employers like Fulton Hogan – and six were still in these jobs four months later. Conservatively looking at just these six alone we can project the following outcomes.



These figures can be multiplied over a number of years for each young person who was effectively set up on a lifetime employment trajectory. Even if/when they leave this employment the successful work experience alone gives them skills and work history for pursuing future work, and to continue to increase their payrates over time, and the Government's tax take. This programme alone is due to take on another 60 trainees each year from the same challenging backgrounds.

Te Auaunga has evidenced many other social benefits: heavy Mana Whenua leadership on the project which supports a thriving Māori identity within Auckland; engagement with the community, in particular the local school where the native plant nursery has been located; and restoration of the native ecology, protecting our environmental heritage and ecosystem.

The Toolkit provides a platform to make transparent, understandable and credible decisions about spending limited resources while pursuing these social benefits.



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