



| Organisational Guideline | | | |
|---|--|--------------------|---------------|
| Social Benefit Procurement Guideline | | | |
| Corporate Plan reference | <p>A smart economy A regional hub for innovation, entrepreneurship and creativity</p> <p>A strong community Resilient and engaged communities</p> <p>An outstanding organisation Collaborative, proactive partnerships with community, business and government</p> <p>A reputation for implementing innovative and creative solutions for future service delivery</p> | | |
| Endorsed by Chief Executive Officer | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; border-bottom: 1px solid black; padding: 2px 5px;"><Insert signature></td> <td style="width: 40%; border-bottom: 1px solid black; padding: 2px 5px;"><Insert date></td> </tr> </table> | <Insert signature> | <Insert date> |
| <Insert signature> | <Insert date> | | |
| Manager responsible for guideline | Manager Business Development | | |

Purpose

Council's *Corporate Plan 2018-2022* recognises that "In all our communities, people are included, treated with respect and opportunities are available to all".

A key aim in the *Sunshine Coast Social Strategy 2015* is to "Enhance council's procurement processes to encourage greater consideration of social benefits and outcomes".

Social benefit procurement uses procurement processes and purchasing power to generate positive social and economic outcomes in addition to the efficient delivery of goods, services and works. Council recognises the value of engaging in social procurement.

Council's support of social benefit procurement can enable local enterprise growth and responses to social issues that improve the quality of life for local residents.

The purpose of this guideline is to outline a framework for council to conduct social benefit procurement in its contracting activities.

Objectives

The objectives of this guideline are to:

- outline a framework for council to conduct social benefit procurement in its contracting activities;

- encourage council officers to enquire of potential suppliers the social benefits associated with the delivery of goods, services, and works;
- assist council officers when making decisions about contracting activities that may provide a social benefit;
- enable identification of opportunities to support enterprises that deliver a social benefit to our region.
- encourage greater consideration of, and an increase in, social benefits in council's contracting activities.

Scope

This guideline applies to any contracting activities for the provision of goods and services undertaken by Council.

Guideline statement

The guiding principles for social procurement are:

Build and sustain stronger communities – our communities are socially inclusive and opportunities are available to all

Strengthen local skill bases - new opportunities for training, new entrant level jobs and jobs for the long term unemployed strengthen local skill bases

Support local economic development – the use of social benefit suppliers and social clauses in contracts support local companies

Develop partnerships – mutually beneficial partnerships are formed across the local government, not for profit and business sectors that are effective in addressing complex social issues

Demonstrate leadership – council through identification and embracing opportunities for social benefit procurement leads by example

Deliver sustainable procurement practices - the social benefits attained through procurement are enhanced whilst achieving value for money

This guideline should be read in conjunction with the Procurement Policy and associated guidelines, including the *Local Preference in Procurement Guideline*.

Social Benefit Suppliers

Social Benefit Suppliers are organisations whose social mission is centred on benefitting a group of people who are considered disadvantaged in their local community. Such organisations channel economic and social resources into a community in response to an underlying social need/issue.

Social Benefit Suppliers may include:

- Community Organisations, including not-for-profit entities
- Australian disability enterprises
- Charitable business ventures
- Community development finance institutions
- Worker or community owned co-operatives
- Fair trade social enterprises
- Intermediate labour market companies
- Social enterprises

Approaches to achieving objectives

Social benefit through procurement can occur in a direct or indirect manner.

Direct approach

The direct approach involves directly engaging a social benefit supplier for the delivery of goods or services. For example awarding a contract for the management of a resource recovery centre to an enterprise that employs a number of people that have been out of work for 10 years or more.

Indirect Approach

The indirect approach involves engaging suppliers who support the inclusion of social clauses in contracts with businesses that do not normally channel resources towards a social benefit. For example, the awarding of a contract for an infrastructure project that generates significant employment and training opportunities as well as business opportunities for companies has a social clause that stipulates targets for new entrant level jobs and apprenticeships.

Social benefit in council's procurement process

Step 1 – Identify the goods or services to be supplied;

Step 2 – Consider whether a Social Benefit Supplier could supply the goods or services required (direct approach);

Step 3 – Conduct market sounding to identify social benefit suppliers capable of supplying the goods or services required;

Step 4 – If several capable social benefit suppliers have been identified, consider conducting a restricted procurement process where only social benefit suppliers may respond;

Step 5 – If limited or no capable social benefit suppliers have been identified, take the indirect approach by mandating the inclusion of social clauses in the contract, and/or ensuring questions for *Contribution to Local Community* are included in the RFQ or Tender response form to:

- encourage respondents to subcontract parts of the work to social benefit suppliers; and/or
- assess the proposed social benefits alongside the delivery of required goods or services.

Step 6 – Ensure that methods and mechanisms are in place for measuring the service deliverables and the social benefits.

Forming Supplier Arrangements

Council creates Supplier Arrangements by conducting a written tender.

When conducting a written tender to create a Supplier Arrangement, Council will, at a minimum, include the evaluation criterion for Social Benefit Suppliers. This criterion will receive a minimum 5% weighting. Council may, in appropriate circumstances, consider and apply other strategies in those tenders to support or drive greater Social Benefit Supplier engagement.

Contracts formed from External Supplier Arrangements

An externally created Supplier Arrangement is one that Council did not form, but Council is seeking to utilise for a particular procurement. The most common example of such arrangements are those created by Local Buy, and by Commonwealth, State or other Local Governments.

Where a contract is sought to be formed using an externally created Supplier Arrangement, Council Officers should seek to identify if there are any Social Benefit Suppliers on that supplier arrangement. If there are, appropriate consideration should be given to inviting quote/s from those supplier/s.

Tender and Request for Quote - Evaluation of Social Benefit Suppliers

When Council undertakes a contracting activity where responses are to be evaluated against pre-determined evaluation criteria, then the evaluation criterion of Social Benefit Suppliers must be included and evaluated.

The criterion will be evaluated having regard to the business of the Respondent and the Respondent’s explanation of the contribution to the community. When considering that contribution the following must be evaluated:

- Whether the Supplier is a Social Benefit Supplier;
- Whether the Supplier is a Local Supplier or Deemed Local Supplier in accordance with the Local Preference in Procurement Guideline;
- Whether the Supplier is engaging Social Benefit Suppliers in its supply chain.

Evaluation of each submission will consider the above information and scoring will be applied as follows:

| Local presence | Scoring: | % Score | Overall weighting |
|---|----------|---------|-------------------|
| Local Supplier that is a Social Benefit Supplier | 5/5 | 100% | Minimum 5% |
| Local supplier that is not a Social Benefit Supplier but demonstrates that they are engaging Social Benefit Suppliers in their supply chain | 5/5 | 100% | |
| Not a Social Benefit Supplier and not engaging Social Benefit Suppliers in their supply chain | 0/5 | 0% | |

Drafting of specifications

When drafting specifications, the author should consider whether the goods or services sought can be delivered by a social benefit supplier or a commercial supplier could engage members from a disadvantaged group.

If drafting of the specification is outsourced to a consultant, this should be conveyed to the consultant for consideration/inclusion in the specification.

Roles and responsibilities

Council officers with a role or responsibility under this guideline are:

Chief Executive Officer is responsible for approving this Guideline.

Group Executive, Business Performance Group is responsible for overseeing all financial management systems and services, including Contracting Activities.

Manager, Business Development is responsible for implementing and maintaining this guideline. This includes reviewing and reporting on its effectiveness, council’s compliance with it, and recommending changes to improve its effectiveness.

All Managers are responsible for ensuring all council officers comply with this guideline when undertaking Contracting Activities.

All Officers are responsible for complying with this guideline when undertaking Contracting Activities. Only officers delegated the authority to conduct contracting activities as per Delegation No 2 – Contracting Activity Delegation, are permitted to commence or bind council in contract resulting from a contracting activity, and only within the limits of the relevant financial authority set in that delegation.

Measurement of success

Success of this guideline will be measured by assessing:

- Yearly dollar value of available procurement spend with social benefit suppliers; and
- Number of contracts awarded to social benefit suppliers with non-social benefit suppliers; and
- Number of contracts formed with commercial suppliers that engage social benefit suppliers or individual/s from a disadvantaged group.

Definitions

The definitions in the *Procurement Policy* and *Contract Manual* apply to this guideline.

Related legislation and policies

Public Sector Ethics Act 1994 (Qld)

Local Government Act 2009 (Qld)

Local Government Regulation 2012 (Qld)

Procurement Policy and associated Organisational guidelines (as updated from time to time)

Sunshine Coast Social Strategy 2015

Version control:

| Version | Reason/ Trigger | Change (Y/N) | Endorsed/ Reviewed by | Date |
|---------|-----------------|--------------|-----------------------|------------|
| 1.0 | e.g. Create new | | | DD/MM/YYYY |
| | e.g. Review | | | |

© Sunshine Coast Regional Council 2009-current. Sunshine Coast Council™ is a registered trademark of Sunshine Coast Regional Council.