

Social Procurement in Local Government

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Overview

Social procurement enables organisations to create positive social impact through purchasing. It not only benefits communities but also the purchasing organisation, particularly in terms of reputation, which can affect all aspects of an organisation's performance.

Social procurement is an effective way for councils to provide employment opportunities for local communities and improve local economies. "For example, a local government area with high levels of unemployment could use their procurement to help address this issue by requiring successful tenderers to employ a percentage of their labour force from the local unemployed population." (<http://www.socialprocurementaustralia.com/> accessed on 25/07/2016)

Social procurement is about using processes and purchasing power to generate positive social outcomes in addition to the delivery of efficient goods, services and works. For local government, social procurement builds on initiatives already undertaken by the sector in enhancing sustainable and strategic procurement practise, enabling procurement to effectively contribute to building stronger communities and meeting the social policy objectives of councils. (http://www.dpcd.vic.gov.au/_data/assets/pdf_file/0015/140523/Social-Procurement-A-Guide-For-Victorian-Local-Government.pdf/ accessed on 25/07/2016)

Some of the benefits of incorporating social procurement into procurement decisions include:

- Strengthening the local economy and ensuring its financial and environmental sustainability.
- Promoting equal opportunity for disadvantaged and vulnerable community groups.
- Creating local employment opportunities.
- Ensuring all businesses have the same opportunity to tender for council contracts.
- Ensuring council supply chains adhere to local, national and international labour standards.

(http://www.dpcd.vic.gov.au/_data/assets/pdf_file/0015/140523/Social-Procurement-A-Guide-For-Victorian-Local-Government.pdf/ accessed on 25/07/2016)

Before undertaking any level of procurement, councils should ask the question: *How can this procurement improve the economic, social and environmental well-being of the LGA?* For procurement that requires a tendering process to be undertaken, asking this question will assist in generating tender documentation that includes relevant and measurable social (and environmental) impact requirements. In addition, including a significant scoring component for social value in the tender evaluation process means that a social enterprise capable of competing on other required criteria could be successful in their bid.

Below are some links that provide further information on social procurement and guidance towards incorporating social procurement into your council's purchasing practices:

[Buying Social: A Guide to taking Account of Social Considerations in Public Procurement](#)

[Social Procurement: A Guide for Victorian Local Government](#)

[Social Procurement Toolkit](#)

[Social Procurement: A Guide to Achieving Social Value through Public Sector Procurement](#)

Social procurement case studies:

<http://www.socialtraders.com.au/buy/dsp-default.cfm?loadref=262>

Social Procurement Australasia:

<http://www.socialprocurementaustralasia.com/>