

# SOCIAL PROCUREMENT IN PRACTICE

---

A GUIDE FOR SOCIAL PROCUREMENT IN TARANAKI

JUNE 2020

**venture**  
TARANAKI  
Te Puna Umanga



# SOCIAL PROCUREMENT IN PRACTICE

---

A GUIDE FOR SOCIAL PROCUREMENT IN TARANAKI

JUNE 2020

Prepared in partnership with:



ākina

**venture**  
T A R A N A K I  
Te Puna Umanga



# INTRODUCTION

*Social Procurement in Practice* is a guide to help you get started in social procurement.

This resource:

- provides key definitions and explains how social procurement works.
- outlines the New Zealand context and what is driving changes in the way procurement is being done.
- describes the impacts and priorities for Taranaki.
- provides guidance for your organisation on how to get started in social procurement as a buyer.
- provides guidance on how to respond to social procurement opportunities as a supplier.

## WHO SHOULD USE THIS GUIDE?

This guide is for any organisation (public, private or community sector) keen to grow their positive social, environmental, cultural and economic impact by changing the way they buy goods and services.

***Social procurement is the greatest untapped opportunity to generate positive impact in the Taranaki region.***

# A NEW WAY OF BUYING

## WHAT IS SOCIAL PROCUREMENT?

### PROCUREMENT

Acquiring goods, services and works

### SOCIAL PROCUREMENT

Acquiring goods, services and works

Generation of positive social, cultural, economic and environmental impact

Diagram showing the difference between procurement and social procurement.

- **Procurement** is the activity that is used to acquire goods, services and works from suppliers. It covers every aspect of the 'buying process'.

In this guide, we focus on business-to-business procurement, where the transaction is between two organisations (rather than business-to-consumer trade).

- **Social procurement** is intentionally using procurement as a tool to generate positive impact alongside acquiring the goods, services and works required.

Every purchase we make has an economic, environmental and social impact, whether intended or not. Social procurement aspires to have the most *positive* impact possible.

***There are many terms used interchangeably with social procurement, including sustainable procurement and inclusive procurement. We use social procurement in this guide. There is no right or wrong terminology, they all mean the same thing.***

## WHO IS INVOLVED IN SOCIAL PROCUREMENT?

BUYER



SUPPLIER

In procurement, the **buyer** is the organisation that wants the goods, services or works and is in the contractual relationship with the supplier.

The **supplier** is the organisation that supplies the goods, services or works.

In reality, there are more than two parties to consider; as procurement involves the **supply chain**, the supplier is also a buyer. The actual visibility an organisation has of their supply chain will vary depending on its length and complexity.



***Social procurement is possible all along the supply chain.***

In this guide, we will:

- provide guidance for your organisation on how to get started in social procurement as a buyer.
- provide guidance on how to respond to social procurement opportunities as a supplier.

# PROCUREMENT FOR IMPACT

Why is social procurement important for Taranaki?

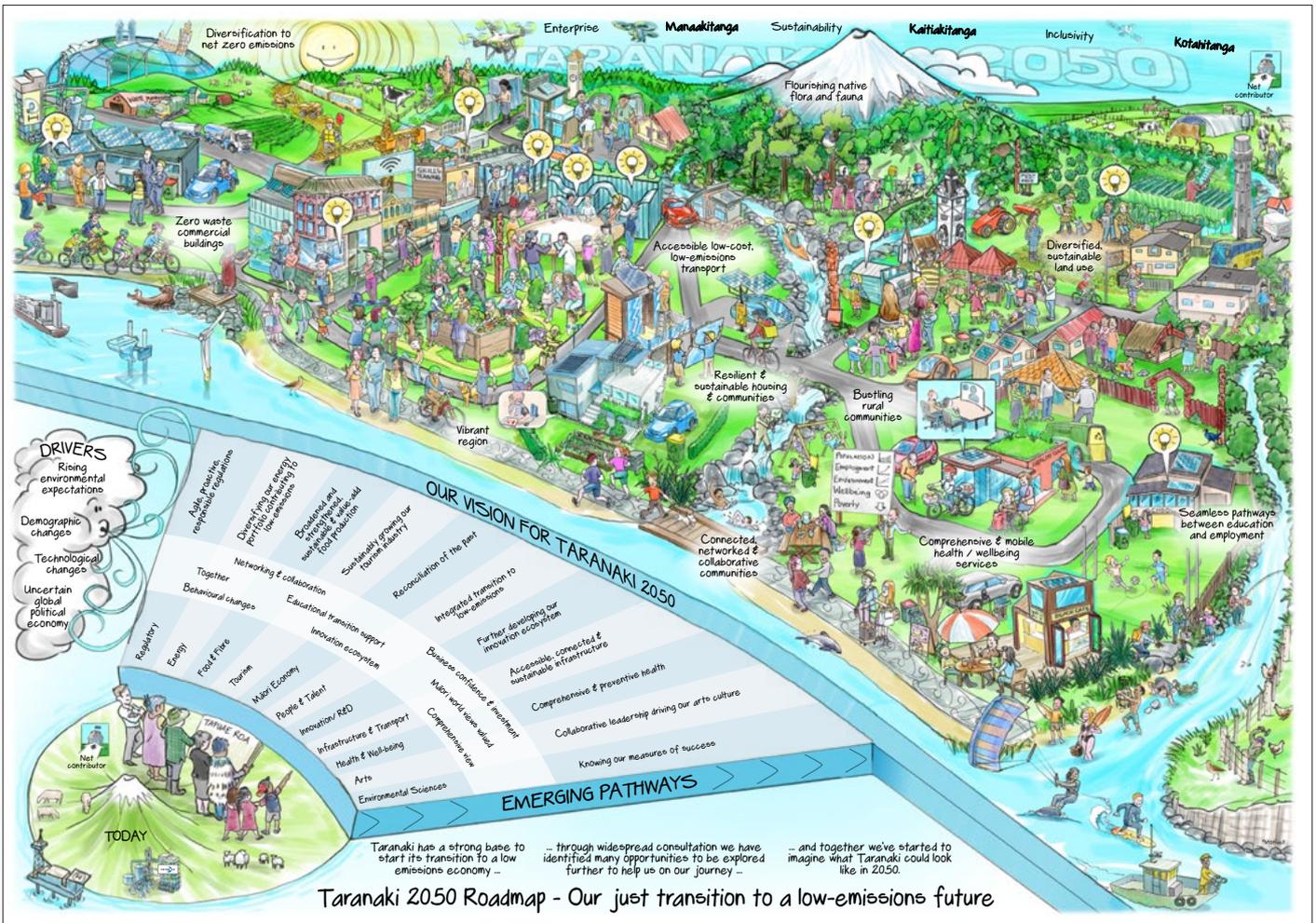
**Impact** refers to the positive social, environmental, cultural or economic change that happens through an activity. In this case, we want to use procurement as a way to generate positive impact.

*Tapuae Roa* and the *Taranaki 2050 Roadmap* set out the future direction for the region:

There are several key regional priorities for Taranaki that are applicable to procurement across four main areas of impact:

Impact area	Social procurement areas that support Taranaki priorities
<b>Social</b>	<ul style="list-style-type: none"> <li>• Health and wellbeing (inc. the living wage)</li> <li>• Inclusion and Diversity</li> </ul>
<b>Environmental</b>	<ul style="list-style-type: none"> <li>• Low emissions</li> <li>• Waste reduction</li> </ul>
<b>Cultural</b>	<ul style="list-style-type: none"> <li>• Māori Cultural Heritage</li> <li>• Mana Whenua Engagement</li> </ul>
<b>Economic</b>	<ul style="list-style-type: none"> <li>• Education, Training and Talent</li> <li>• Local supply chains</li> </ul>

Further explanation of supplier considerations on these priorities can be found in Appendix 1.



## THE SOCIAL PROCUREMENT OPPORTUNITY

Every day organisations spend money *in* our region. The question is, what impact do we want this money to have *for* our region?

### **The social procurement opportunity in numbers:**

- **Total NZ business expenditure is \$597 billion (Annual Enterprise Survey, 2019).**
- **Total NZ Government expenditure is \$50 billion+.**
- **Total NZ local government expenditure is \$10 billion+.**

We can use the total spend across all public, private and community organisations to deliver positive outcomes for Taranaki.

This is what social procurement is about.

**Spending locally is a proven way to benefit the local economy. Also known as the ‘Local Multiplier’, this is where organisations you spend with go on to spend with others, and so on, to grow the local economy. Spending with impact-focused suppliers enhances the benefits further with social and environmental returns estimated between \$4 and \$8 per dollar spent (Ākina).**

## REDEFINING VALUE IN PROCUREMENT

Procurement is focused on delivering **value** for money and has always considered price, quality and risk.

When we undertake social procurement we are extending that definition of value to also include social, environmental, cultural and economic outcomes. Rather than only thinking about price, the key is to think about value.

Social procurement is recognised as *good procurement*. It is: about better planning, finding innovation in the market and finding better ways to deliver greater value for Taranaki through the money you are spending.

It isn't: about compromise, accepting lower standards of quality, and it doesn't necessarily mean paying a higher price.



**The New Zealand Government procurement rules are mandatory for all government departments and most Crown entities and are highly influential on the way procurement is done in New Zealand. The new rules released in October 2019 have undergone a major change as follows:**

**Every agency must consider broader outcomes when purchasing goods, services and works. Broader outcomes are the secondary benefits that are generated from the procurement activity, including environmental, social, economic and cultural benefits generated by the way a good, service or works is produced or delivered.**

**These rules are now being implemented into the procurement practice for all government organisations and projects, creating an enhanced opportunity for impact-focused organisations to secure government contracts.**



## THE BENEFITS OF SOCIAL PROCUREMENT TO YOUR ORGANISATION

Social procurement not only creates additional value for Taranaki through the supply chain, it can also provide benefits to your organisation such as:

 <p>1</p> <p><b>Brand and reputation</b></p>	 <p>2</p> <p><b>Competitive advantage</b></p>	 <p>3</p> <p><b>Leadership</b></p>	 <p>4</p> <p><b>Innovation, efficiency and risk mitigation</b></p>	 <p>5</p> <p><b>Connection and relationships</b></p>
<p>Improve brand identity, be recognised as a workplace of choice, engage the next generation, meet stakeholder expectations, 'walk the talk'.</p>	<p>Grow your customer base, create a unique point of difference, gain credibility with your customers and suppliers, support your client's aspirations.</p>	<p>Create a legacy, demonstrate leadership in your sector, make a difference and address regional challenges.</p>	<p>Increase supplier competition, drive innovation, secure your supply chain and fill skill gaps, gain new perspectives from suppliers.</p>	<p>Move beyond transactional supplier relationships, increase community connection and participation, deliver efficiencies for government and the region.</p>

# SOCIAL PROCUREMENT FOR BUYERS

This section provides guidance for your organisation on how to get started in social procurement as a buyer. While the recommended steps are common to both larger and smaller buyers, we have highlighted further considerations that a larger buyer may incorporate into their organisation.

## IMPLEMENTING SOCIAL PROCUREMENT

If you are a buyer, there are some easy steps to take to get started in social procurement.

- 1 **Defining what is important to your organisation?**
- 2 **Where do you spend money in your organisation?**
- 3 **Find out more about your current suppliers, and explore different suppliers**
- 4 **Take action**
- 5 **Capture and share your impact**

### 1 WHAT IS IMPORTANT TO YOUR ORGANISATION?

- What is your organisation trying to achieve?
- Are there social, cultural or environmental issues that matter to you or the sector you operate in?
- What areas align with your organisational values?
- Find out what your staff and customers care about.
- How do you choose your current suppliers? Is it only price?

#### **ACTION:**

Write down, in your own words, the priorities of your organisation and the sector you operate in. Look at where these align with regional and national priorities (such as the Taranaki regional priorities) if possible.

For **larger buyers**, your strategic planning will likely have identified clear priorities for the organisation. Consider reaching out across both internal and external stakeholders to clarify what is important and to prioritise expectations. The priorities of other internal teams such as Human Resources (e.g. diversity) and Sustainability (e.g. waste reduction) can also be met by taking action in social procurement. Think cross-functionally and identify common objectives.

#### **LARGER BUYER EXAMPLES:**

**The Taranaki District Health Board (TDHB)**, as a Crown Entity, is required to identify their priorities in a *Statement of Intent*. One high-level priority area is mental health, which can be addressed not only through the operation of the health system, but also within the TDHB itself. Mental health can also be a priority that is addressed by social procurement, for example, through considering suppliers e.g. construction, that take positive steps to address the mental health of their workforce.

**The Central Rail Link (CRL)** is a major multi-year rail infrastructure project in Auckland. In the development of the project, a series of construction-sector challenges were identified including a labour and skills shortage, lack of supply chain diversity and aging workforce, alongside a broader employment context of a high proportion of young people not being in employment, education or training. CRL's *Social Outcomes Approach* outlines their employment aspirations, priority and target groups and how they will implement this into the CRL project.

#### **SMALLER BUYER EXAMPLE:**

You own a small landscaping company and have identified the following issues:

- 1 Finding reliable staff to work in labouring roles is hard.
- 2 You have noticed there is a push for more native plants and people wanting to reduce the use of chemical pesticides and fertilisers in your sector.

You therefore identify that your initial priorities are social (workforce) and environmental (biodiversity, chemical use).

#### **The New Zealand Government identifies four priority outcomes in their procurement rules:**

- (1) **Increasing access for New Zealand businesses to bid on government contracts**
- (2) **Construction skills and training**
- (3) **Improving conditions for New Zealand workers**
- (4) **Transition to a net-zero emissions economy and waste minimisation**

## 2 WHERE DO YOU SPEND MONEY IN YOUR ORGANISATION?

- Look at the goods and services that you spend money on. These are your spend 'categories'.
- Have a look at the expenses in your accounts, and if necessary, start finding out what invoices sit behind the breakdown of expenses.
- Identify the spend categories where there may be opportunities to spend money differently to meet your identified priorities.
- Start building a picture of *how* you spend your money. E.g. How much do you spend locally?

### ACTION:

Work with your team to explore and document the spend categories and the opportunities. Identify two or three spend categories that provide good opportunities to explore social procurement.

For **larger buyers**, procurement or financial teams can prepare an analysis of historic and forecast spend across categories or a taxonomy used by the organisation. This spend can then be categorised (by volume and risk) and the current contractual arrangements confirmed.

Undertaking this spend analysis is a precursor to identifying realistic opportunities to explore social procurement. For example, opportunities may exist in categories that have a high labour component, services that are not of a complex nature, or where you have a long-term relationship with a large incumbent supplier.

### LARGER BUYER EXAMPLE:

**Inland Revenue** completed a spend analysis across their whole organisation as *part of their work* to identify categories of spend where social and environmental outcomes could be generated through existing and new supplier arrangements. While larger organisations have the ability and resource to compile detailed financial information, many struggle with translating this into a meaningful format. Inland Revenue used their 'business analytics' team to complete the spend analysis, who then worked with the procurement team to gain insight into how procurement is undertaken in the organisation.

### SMALLER BUYER EXAMPLE CONTINUED:

- 1 You currently use a local labour hire company to provide temporary staffing for many projects and this is the majority of your labour costs.
- 2 Currently the chemicals that are used on projects are purchased on a credit card based on the job at hand and you just plant what the client asks you to.

These categories are opportunities to do things differently and make a difference.

## View social procurement as an opportunity, not a risk.

### 3 FIND OUT MORE ABOUT YOUR CURRENT SUPPLIERS AND EXPLORE DIFFERENT SUPPLIERS

- Every supplier has an impact in the way they operate.
- Do you understand this impact in the areas that are priorities for you?
- Reach out and see what other suppliers may be available. Use specialist intermediaries (such as Ākina or He Waka Eke Noa) and local connector organisations (such as the Chamber of Commerce) to identify new or different suppliers.
- Ask your current suppliers about what they could do differently.
- Ask around and see who other organisations are using as their suppliers.

### ACTION:

Make a list of your current suppliers and start talking to them about your priorities. Explore the market for new suppliers and start connecting with them to understand how they might help you focus on those priorities.

**Larger buyers** can have large supply chains that become complex to navigate, particularly when you are looking for new or innovative suppliers and higher-capacity suppliers. Procurement professionals regularly use market analysis to scan who the suppliers are in a particular category, and to shape their procurement approach based on this information. There are two mechanisms to consider – direct spend and indirect spend. For direct spend, consider using market sounding approaches (e.g. RFI) or intermediaries to improve your understanding of the supply market. For indirect spend, engage with your existing suppliers to explore their impact. Remember to prioritise to make this manageable.

### LARGER BUYER EXAMPLE:

**NZ Post** has a significant opportunity to meet their sustainability aspirations by providing more sustainable packaging solutions for customers. In order to meet their waste reduction targets, they undertook a market sounding process inviting suppliers to present innovative alternatives to their existing mail products. This work also included NZ Post developing a comparison process for alternatives using *11 sustainable packaging principles*. *The outcome* included a change to better products, as well as building awareness with stakeholders about the complexity of the problem itself.

**SMALLER BUYER EXAMPLE CONTINUED:**

- 1 You have a coffee with your labour provider and they outline their employee pay rates and aspirations around moving people into full-time roles.
- 2 At a local networking event, you ask a large local landscaping company about where they buy their chemicals. They mention two or three different alternative suppliers that you research online and call for more information.

**4 TAKE ACTION**

- Start looking for opportunities to work with different suppliers within your current spend. You can trial and test alternatives.
- Avoid a 'one size fits all' approach to procurement and think about how to do things differently.
- Convey your priorities to your existing suppliers and see how they can help you meet those.
- Build your social procurement priorities into your full procurement process in a meaningful way. If you are using tenders or RFPs, add some questions about your priorities, and give them a decent weighting in your decision-making process.
- Remember procurement is not all about tenders!

**ACTION:**

(Step 1) Start doing things differently, focusing on your identified opportunities (Step 2), encourage your existing suppliers to support your aspirations, and make opportunities for new suppliers (Step 3). Make impact part of your selection process for suppliers. Take action!

The procurement processes for **larger buyers** can be complex and the procurement function can range from being undertaken in a centralised team, to being distributed across many individuals across the whole organisation. Incorporating social procurement into your organisation is enabled by approaching your procurement process differently, and aligning your decision-making process, e.g. finding opportunities with your discretionary spend, unbundling or breaking down larger contracts or projects, and asking *all* your suppliers about their impact.

**LARGER BUYER EXAMPLE:**

**Atherton Gardens** is a social housing complex in Fitzroy, Melbourne, which is part of the *Department of Health and Human Services*. Cleaning and security were identified as services that could create new employment opportunities for tenants in Atherton Gardens (the full case study can be found [here](#)). Both services were provided by incumbent maintenance providers, and the decision was made to pilot a different approach to the contracts. An employment target was added to the cleaning contract resulting in jobs for previously unemployed tenants, and security services were unbundled and awarded to a social enterprise creating improved social and employment outcomes. As a result, the approach was rolled out across all housing estates.

**SMALLER BUYER EXAMPLE CONTINUED:**

- 1 In a conversation with your current labour hire company, you discover they have started paying the living wage to their contract labour. You realise this is already built into the current costs.
- 2 There is a local wholesaler of agri-chemicals that can offer eco-friendly options for your chemicals and can provide you with a report of your orders every month.
- 3 You decide to request two proposals for chemical supply and add a question 'Outline how you evaluate the environmental credentials of your products and confirm the proportion of products that have eco-friendly alternatives.' Company 1 provided a clear response while Company 2 did not answer the question. Based on the response, you choose Company 1 as your new supplier.

***If you are using a tender or RFP/RFT process, make impact a meaningful part of your evaluation process. When thinking about tender clauses, ask the suppliers questions to understand their approach to a particular impact (e.g. growing employment opportunities) and evidence they can do this. Being specific encourages 'real' tender responses with substance.***

## 5 CAPTURE AND SHARE YOUR IMPACT

- Remember that social procurement is about delivering impact, so you need to capture this.
- Always ask your suppliers about their impact and outcomes from your spend.
- Be clear about what information you're seeking and why.
- Impact can be complicated – it's ok to use numbers *and* stories.
- Tell the good news stories to bring others on the journey.

### ACTION:

Collect impact and spend data using social procurement and link this back to your priorities. Ask your suppliers about their impact and be mindful of not making this too onerous.

**Larger buyers** should look for opportunities to align reporting with organisation-wide reports such as annual, or sustainability reports. While reporting is important to ensure the credibility of the social procurement initiatives, it is also important to understand the value created for the buyer organisation and to continue to grow your positive impact.

### LARGER BUYER EXAMPLE:

**Fonterra** produces an *annual sustainability report* that covers their pillars of Healthy People, Healthy Environment and Healthy Business. Included in the pillars are a series of targets and metrics outlining the performance of the organisation. Procurement features across the pillars, and responsible procurement is where Fonterra will continue to expand its focus and work on social and environmental priorities in their supply chains.

### SMALLER BUYER EXAMPLE CONTINUED:

- 1 You end up hiring two staff from the labour hire company, who are both young school-leavers who are passionate about working outdoors.
- 2 Every month the labour hire company reports the number of staff who are under 25 and the hours they have worked on your projects. Information provided by your chemical supplier shows you have reduced your chemical use by 13% and you also note more customers are asking for the alternative eco-friendly products because you offer this as part of your service.

## TOP TIPS FOR BUYERS

- 1 Social procurement is a journey. Start small, be realistic and build into it.
- 2 Learn by doing. Be prepared to try new things and learn from your experiences.
- 3 Smooth the path for suppliers by providing guidance, being innovative with contracts and giving them visibility of upcoming opportunities.
- 4 Set formal targets and KPIs to drive behaviour in your organisation.
- 5 Share your story and engage with others – there are many other buyers and suppliers with similar aspirations.

### LOCAL CASE STUDY:

New Plymouth District Council (NPDC) is transforming relationships with its suppliers to grow a positive impact for the Taranaki region. They have focused on the outcomes of improving safety, lowering their environmental footprint, growing supplier talent, and contributing to the local economy through their roading programme spend. NPDC have identified and implemented several initiatives within their procurement decisions such as using alternative safer roading materials and developing a numeracy and literacy training programme that has 23 participants. They are now expanding their workforce partnership with local industry, known as the Gateway initiative, to build pathways to employment for students and those marginalised out of work.

As a buyer, NPDC has adopted a leadership approach that considers suppliers outside the direct contracts they have in place. For example, a recent switch to electric vehicles for their waste collection created a partnership with a local vehicle maintenance company, supporting their transition to future-fit jobs servicing electric vehicles. NPDC estimates that \$1.65 of economic activity is generated for every \$1 spent on infrastructure and they are intent on growing this further with every procurement activity.

“We’ve gone from being a bad client, contracting to the lowest price, to delivering meaningful social and environmental outcomes with cost savings.” David Langford, Infrastructure Manager, New Plymouth District Council.

# SOCIAL PROCUREMENT FOR SUPPLIERS

This section provides guidance on how to respond to social procurement opportunities as a supplier.

## RESPONDING TO SOCIAL PROCUREMENT OPPORTUNITIES

If you are a supplier, the following are some ways to grow procurement opportunities for your organisation through social procurement. We have assumed that most suppliers are smaller organisations; however, the steps outlined are common to larger organisations (who are usually better resourced with a business development function).

### 1 Build relationships with buyers early

#### 2 Be good at what you do

#### 3 Be authentic and build credibility

#### 4 Tell your impact story clearly

### 1 BUILD RELATIONSHIPS WITH BUYERS EARLY

- Understand the procurement priorities of your buyers and look for alignment with your own priorities.
- Make sure you understand the buyer's procurement process, what opportunities they have coming up and how they will come to the market.
- Look for genuine buyers who have clear social procurement objectives and who use this in evaluating suppliers.
- Build relationships with your buyers and look for opportunities to pilot or showcase your work.

#### ACTION:

Meet with buyers to understand how their procurement process works, what opportunities are coming up and who needs to know about your work in their organisation. Position yourself for opportunities early.

#### SMALLER SUPPLIER EXAMPLE CONTINUED:

Your landscaping company is interested in working on local construction projects. You arrange a meeting with two local infrastructure contractors who work for council and find out they are passionate about creating job opportunities for young workers. A second meeting is organised with their tendering team to hear more about upcoming projects that will require landscape work and to understand the tender process better.

### 2 BE GOOD AT WHAT YOU DO

- While social procurement considers social, environmental, cultural and economic factors, you still need to provide a good product or service at a competitive price.
- Always be realistic about your capability. Delivering a contract badly is worse than saying no to an opportunity.
- Be an active participant in your industry or sector and have the right levels of compliance and certification. If in doubt ask.
- Clearly define your value proposition, both in terms of your business offering and your impact offering.

#### ACTION:

Social procurement is still procurement, so make sure you clearly demonstrate your value proposition to buyers. This includes both your business offering and the positive impact you create.

#### SMALLER SUPPLIER EXAMPLE CONTINUED:

You invite a contractor to visit a recent landscape project you completed at a local school. You receive construction packages for pricing from one of the contractors after registering as a supplier. While you missed out on the first project due to missing a site safety qualification, the contractor is impressed with your second proposal and the idea of giving on-site experience to staff members.

### 3 BE AUTHENTIC AND BUILD CREDIBILITY

- Walk the talk and use social procurement. Remember you are a buyer too!
- Use other suppliers who spend, recruit or employ local and social.
- Look for certifications or memberships with intermediary or support organisations.

#### ACTION:

Where possible, use suppliers that reinforce and enhance the impact of your work and opportunities to enhance your visibility and reputation.

#### SMALLER SUPPLIER EXAMPLE CONTINUED:

As your business grows, you find yourself in the position to hire permanent staff and partner with the local labour hire company to find young talent. The strong environmental focus on new projects enables one of your team members to become a part-time environmental officer who is looking at reducing your carbon footprint.

#### 4 TELL YOUR IMPACT STORY CLEARLY

- Describe your impact when you respond to new opportunities. Outline your priorities, your approach and evidence to support this.
- Remember that impact is *part* of the evaluation process.
- Report your impact when you complete a contract with a buyer and share your story regularly.

#### ACTION:

Be clear about your impact when you respond to an opportunity and follow up with reporting on your positive impact even if your buyer doesn't request it.

#### SMALLER SUPPLIER EXAMPLE CONTINUED:

As part of every contract, you provide a short impact statement outlining the hours worked by your staff members, a wage report showing the wage bands your staff are in and a profile of one of your team. The report also details the type and amount of chemicals used and the carbon footprint of the project. Your buyer values this information as it helps them report across all of their projects.

#### TOP TIPS FOR SUPPLIERS

- 1 Be proactive and don't wait to be asked.
- 2 If a social procurement opportunity isn't meaningful or is price focused, it's ok to say no (and give feedback).
- 3 Make sure you always answer the questions when responding to an opportunity!
- 4 Build into scale. Look for opportunities to grow your capacity through partnerships and joint-ventures.





# MORE INFORMATION

Following are some more local and international resources to support your journey:

- Social procurement principles **checklist** on Page 36 from **Social Procurement Australasia** [here](#)
- **Buy Social Canada** has some great workbooks including [here](#):
  - Page 32 **Social purchasing audit** – to see where you can make change
  - Page 50 **Social procurement policy framework** – Rank each goal according to your organisation’s priorities. Then, determine if this goal could be met through something your organisation purchases.
  - Page 53 **Social purchasing selection weighting** – use the scale to weight the importance of each criteria in selecting the supplier.
  - Page 55 **Assessing your social purchasing opportunities** – Identifying next steps to change the way you procure.
- **For Larger organisations** this **toolkit** prepared by [Auckland Council Healthy Waters Department](#) in collaboration with Height Project Management has examples showing how priorities/impact areas can be translated into **tender document questions** and the evaluation process. See [here](#)
- **GROW** is a regional procurement initiative and has **downloadable** Social Procurement tools [here](#)
- **Case Studies:**
  - **NPDC:** A focus on creating public value rather than cutting costs has resulted in New Plymouth District Council taking a leadership role in their supply chain [here](#)
  - **Australia Post:** Unlocking the value of social procurement and supplier diversity – leading practice insights [here](#)
  - **Auckland Council:** turning policy into practice and incorporating socio-economic outcomes into their procurement activities and learning along the way [here](#)
- **Social procurement intermediaries**
  - **Fwd** – Ākina’s procurement programme supports implementation of social procurement and connects buyers to social enterprises.
  - **He Waka Eke Noa** – connecting buyers to Māori/Pasifika businesses and promoting supplier diversity in Aotearoa.
- **New Zealand Government Resources**
  - **New Zealand Government Procurement** website with further guides and tools [here](#)
  - Procurement Rules – Rules for sustainable and inclusive procurement downloadable at the bottom of [this page](#)

# APPENDIX 1

## SOCIAL PROCUREMENT AREAS THAT SUPPORT TARANAKI PRIORITIES

### 1. Society

#### 1.1. Health and wellbeing (inc. the living wage)

#### 1.2. Inclusion and Diversity

### 2. Environment

#### 2.1. Low emissions

#### 2.2. Waste reduction

### 3. Economy

#### 3.1. Education, Training and Talent

#### 3.2. Local supply chains

### 4. Culture

#### 4.1. Māori Cultural Heritage

#### 4.2. Mana Whenua Engagement

## 1. SOCIAL IMPACT

### 1.1 Health and Wellbeing

Suppliers are encouraged to provide specific details on the types of initiatives in place that support employee health and wellbeing. This may include:

- Supporting the wellbeing of their employees by contributing to a living wage that enables quality of life and good health
  - Suppliers may wish to consider regular salary review plans for staff to support this concept
  - Suppliers should also consider employers within their own supply-chain and their employment ethics
- The current health and wellbeing initiatives in place within the organisation (and/or sub-contractors hired)
- Who the health and wellbeing initiatives are available to i.e. the criteria that employees (or contractors) must meet to be eligible for health and wellbeing initiatives
- Whether any initiatives have additional resources to support priority social groups or have a priority group focus. Supplier responses should also consider providing the details of more formal health and wellbeing initiatives included within the organisation. Examples include, but are not limited to:
  - Staff policies (including parental leave policies available)
  - Flexible working arrangements
  - Remote working arrangements
  - Pensions provided
  - Employee paid sick leave entitlement

*Note: 'Priority social groups' include, but are not limited to apprentices, cadets, graduates, Māori, Pasifika, ethnically diverse (e.g. refugee background), long-term unemployed, disabled, mental health history, recidivists, vulnerable youths and vulnerable society members.*

For guidelines on policies focussing on looking after your employees see

<https://www.business.govt.nz/news/workplace-wellbeing-policy-builder/>

### 1.2 Inclusion and Diversity

Suppliers are encouraged to provide specific details on how they will support and/or raise awareness on the importance of diversity and inclusion in the community. Examples of areas where positive messages on diversity and inclusion can be made include the following (note, this list is a guideline and is by no means exhaustive):

- Website content
- Company intranet
- Recruitment advertisements
- Details of 'Tick' Accreditations, programmes or memberships that support diversity and inclusion
- Evidence of standard diversity and inclusion phrases used for recruitment advertising
- Counselling support services
- Internal education measures in support of diversity and inclusion (for example, un-conscious bias training)
- Details of any anti-inclusion behaviour repercussions within staff employment contracts/company policies
- Whether diversity and inclusion within the organisation is demonstrated externally e.g. is the organisation considered to be an attractive, safe, inclusive and diverse environment
- The diversity make-up of proposed project teams or organisation-wide employee profile (for example, the percentage of female in senior or non-traditional roles, culturally diverse backgrounds, Māori, Pasifika, under-represented groups, age profile).

For an example of a equality and diversity strategy see The Public Service Gender Pay Gap Action Plan:

<https://ssc.govt.nz/our-work/the-gender-pay-gap-and-pay-equity/progress-report-the-public-service-gender-pay-gap-action-plan/>

## 2. ENVIRONMENTAL IMPACT

### 2.1 Low emissions

#### CONSIDERATIONS

- Using local suppliers as part of the supply-chain process

- Supply-chain models that support carbon reductions
- Afforestation programmes or plans in place
- Encouraging the use of active transport modes and bicycle to work options to employees (for example, preferred rates for bicycles, e-bicycles or similar and dedicated bicycle park options)
- Organisation-wide electric vehicle fleet (cars, bicycles, scooters, minibuses)
- Car-pooling initiatives
- Public transport incentives for staff
- Initiatives to support NZ's goal to be carbon neutral
- Renewable energy sources used as an alternative to non-renewable
- Measurement of energy efficiencies

Guidance for voluntary greenhouse gas reporting – 2016: Data and methods for the 2014 calendar year can be found at

<https://www.mfe.govt.nz/publications/climate-change/guidance-voluntary-greenhouse-gas-reporting-2016-data-and-methods-2014>

Initiatives to combat climate change are highlighted on <https://www.mfe.govt.nz/climate-change/we-all-have-role-play/what-you-can-do-about-climate-change>

## 2.2 Waste Management

### CONSIDERATIONS

- Communicating the importance of responsible waste management to all involved in the project
- Determining the type of waste management systems in place for contract/project lifecycles and their likely effectiveness
- Methods to reduce waste tonnage to landfill e.g. through recycling, upcycling or similar
- Eco-friendly methods to remove waste
- Partnering with social enterprises to improve waste management goals
- Methods to reduce or prevent hazardous waste impacts on the environment
- Using waste management suppliers that are local, use ethical practice and support any sustainable outcome values.

Examples of businesses taking responsibility for their products:

<https://www.mfe.govt.nz/waste/we-all-have-role-play/businesses-taking-responsibility-for-their-products>

## 3. ECONOMIC IMPACT

### 3.1 Education, Training and Talent

#### CONSIDERATIONS

- Upskilling of priority social groups, in particular, Māori and Pasifika people
- Upskilling of our future generations and influencers, in particular, rangatahi (youth) to achieve sustainable future goals
- Upskilling of local community members and small medium businesses
- Upskilling that lends itself to supporting career pathway success
- Specific training requirements to support local economy needs. For example, the domestic construction sector workforce or other areas of the workforce that will positively influence the economy
- Providing a recognised formal qualification – particularly for priority social groups
- Dedicated mentors, pastoral care or career counselling to ensure the success of priority target groups
- Consideration of the recruitment process to be used and whether the approach lends itself to a high success rate in targeting a priority social group
- Funding of community youth projects or school initiatives. (Consider the decile rating of schools to be supported)
- Raising employee awareness on youth support programmes and initiatives for employees to support these (e.g. fundraising events)
- Retaining talented people through fair remuneration packages.

For an example of a equality and diversity strategy see The Public Service Gender Pay Gap Action Plan:

<https://ssc.govt.nz/our-work/the-gender-pay-gap-and-pay-equity/progress-report-the-public-service-gender-pay-gap-action-plan/>

### 3.2 Local Supply-chain

Benefits to using ethical, local supply chain models include:

- Supply-chain flexibility due to improved communication channels
- Reduction in logistics costs
- Sustainable reputation, through a 'buying local' mentality
- Market accessibility – ensuring a broad range of accessibility methods to enable small-medium businesses to also participate in market opportunities.

Often larger organisations with greater resource and funding find it more manageable to meet strict timebound,

complex tender demands over their smaller competitors. Although small-medium businesses may not have a department dedicated to specialist bid responses, this is not necessarily a reflection of their capability to deliver on project requirements.

Smaller businesses with less complex reporting structures can often have fewer barriers to delivering required outcomes at speed due to more streamlined internal processes. Their environment may also feel more accessible to community members that prefer smaller, more connected working environments, consequently enabling the employment of more vulnerable groups. This inevitably supports a more diverse, sustainable economy.

Suppliers are encouraged to provide specific details on how they will support an ethical supply-chain that supports the prosperity of the local economy and encourages success of small-medium businesses.

Examples of considerations include:

- Supporting small businesses, local businesses, social enterprises, socially innovative businesses, female owned businesses, Māori or Pasifika owned businesses through the supply-chain
- Considering whether the aforementioned business(es) support sustainable or social responsibility outcomes
- Considering whether the aforementioned businesses(es) employ local community members
- Use of supply-chains that use ethical practices. (This may include, organisations that provide good conditions and fair pay for their workers, as well environmental protection and waste minimisation practices.) (continued)
- Supporting qualified, small-medium businesses to participate in contracts with fewer barriers to entry. Suppliers may wish to consider:
  - Implementing mechanisms or innovations that are less onerous
  - Supporting contract models that provide manageable scale and term considerations for small businesses to realistically enter the market
  - Alternative methods for small scale suppliers (and/or sub-contractors) to reply to requests for information, proposals or tenders.

## 4. CULTURAL IMPACT

### 4.1 Māori Cultural Heritage

- Suppliers are encouraged to provide specific details on how they will support nourishing Māori cultural heritage within Taranaki. The below is a guide to support the goal of this pillar, but is by no means exhaustive.
- Interweave Māori culture, values and perspectives into the project

**Reference: Auckland Council and Height PM**

- Use Te Reo Māori (Māori language) and tikanga Māori in organisation communications (including signs, recruitment and media platforms) and project design deliverables (as agreed)
- Encourage Māori protocols e.g. blessing of sites, powhiri throughout the contract lifecycle
- Consider designs that reflect New Zealand's Māori cultural heritage (as applicable)
- Consider the use of marae to raise Māori cultural awareness and provide heightened sense of community and belonging
- Consider Māori cultural training to upskill cultural competency levels
- Partner with Mana Whenua and local Iwi for design influence
- Advocate for opportunities to showcase Taranaki's Māori cultural identity
- Consider using Māori-centric models for design, for example, Te Whare Tapa Whā models where psychological, spiritual health, physical health and family health is considered holistically
- Consider embedding a Whānau Ora philosophy, which recognises the importance of collective social, economic, environmental and cultural benefits.

### 4.2 Mana Whenua Engagement

#### CONSIDERATIONS

- Level of engagement with Māori (feedback on the level of engagement may involve interviews to understand experiences)
- Consider integrated partnerships with Māori
- Co-governance arrangements with Māori or board representation
- Co-management arrangements with mana whenua
- Meaningful, ongoing engagement with Māori
- Opportunities for Māori design influence
- Opportunities for Māori guidance on natural resource management principals to be applied
- Dedicated Māori Engagement personnel
- Support and/or investment into local marae.

Best Practice Guidelines for Engagement with Māori are outlined here

<https://www.nzpam.govt.nz/assets/Uploads/doing-business/engagement-with-maori-guidelines.pdf>

Māori Engagement Framework

<https://www.waikatoregion.govt.nz/assets/WRC/Council/Policy-and-Plans/11340016-Maori-Engagement-FrameworkGuide.pdf>



**venture**  
**TARANAKI**  
Te Puna Umanga

*Taranaki's Regional Development Agency*

25 Dawson Street | PO Box 670  
New Plymouth 4340 | New Zealand

**T:** +64 6 759 5150

**E:** [info@venture.org.nz](mailto:info@venture.org.nz)

[www.taranaki.info](http://www.taranaki.info)

**Venture Taranaki is an initiative of**



Te Kaunihera-a-Rohe o Ngāmotu

**New Plymouth  
District Council**

**TARANAKI**

like no other