Procurement Advisory Notice 20/2020

For buyers – Supporting vulnerable Queenslanders through social procurement

COVID-19 has significantly impacted our economy and community. For more vulnerable Queenslanders, already struggling to find safe and secure employment, COVID-19 has made it even more challenging for them.

One immediate and impactful strategy government buyers can adopt now to effectively respond to these challenges, is to actively request social outcomes from their procurement activities.

Delivering Enhanced Value

Social procurement does not replace ‘good’ procurement. Done effectively, social procurement delivers positive social outcomes without compromising the quality or value of the goods and services procured.

By including social criteria in procurement, government buyers encourage suppliers to be more socially and ethically responsible. Suppliers can be encouraged to develop strategies and promote existing programs that demonstrate how they are delivering positive social outcomes to vulnerable Queenslanders.

This small shift in our market engagement, should positively influence supplier behaviour and generate additional community and economic benefits. This approach is also consistent with Principle 2 of the Queensland Procurement Policy (QPP) which states that “we use our procurement to advance the government’s economic, environmental and social objectives, and support the long-term wellbeing of our community”.

Consider requesting ‘social returns’ in your procurement activities

One simple and effective strategy for government buyers to deliver enhanced social outcomes is to deliver on the QPP’s commitment to increase spend with genuine, quality social enterprises. This could include using tactics such as:

- sourcing market intelligence on genuine, quality social enterprises as part of supply market analysis by accessing the Social Traders portal or emailing socialprocurement@hpw.qld.gov.au
- using social clauses in invitation documents or contracts to deliver social benefits to communities, alongside goods and services
- consider a prescriptive social commitment target (e.g. 1% of the total contract spend) to demonstrate your agency’s commitment to advancing the government’s social objectives.

This strategy applies even if there are no social enterprises providing the required goods and services, as there are several ways commercial suppliers can demonstrate their commitment to being socially responsible. This includes, but is not limited to:

- utilising the services of social enterprises in their supply chains
- providing employment and training opportunities for people from marginalised backgrounds
- providing pro bono support and assistance to a domestic violence shelter
- making donations to a registered charity.

In deploying any procurement strategy, government buyers still need to properly plan and ensure that the strategy is appropriate in view of the nature of the supply market and other factors brought on by the COVID-19 pandemic.
How can social outcomes be realised?

An option to deliver social outcomes through procurement has been demonstrated by the Victorian Government through the launch of a Social Procurement Framework that requires agencies to include social procurement as part of procurement planning and identifies thresholds for individual procurement activity requirements. For contracts in excess of $3 million, this commitment has been put into practice with some agencies applying a prescribed social procurement target of 3% of the total contract spend going to social enterprises, Aboriginal businesses and direct employment of disadvantaged jobseekers in the supply chain. The decision to use prescriptive targets such as this should be based on a consideration of the nature, risk and value of the procurement, along with the capabilities of prospective suppliers.

This strategy has been particularly effective with large scale infrastructure and construction projects that seek to stimulate our economy following the impacts of COVID-19, where even a small commitment will help generate employment and training outcomes for the disadvantaged.

Social commitments also foster innovation from the sector as they encourage suppliers to think differently about who they engage with in their supply chains (e.g. a Tier 1 supplier partnering with an Aboriginal or Torres Strait Islander business, in order to meet a contractual employment target).

Where to go for more information

The following resources have been established to support buyers with their social procurement activities:

- Social procurement guide
- Social procurement clauses
- Social enterprise certification guide
- Diversity in supply arrangements guide
- Sustainability guide
- Ending Domestic and Family Violence guide

For additional support and assistance on social procurement, please email socialprocurement@hpw.qld.gov.au.