**SOCIAL PROCUREMENT**

# 1. Purpose

The Board of *{insert your organisation}* is committed to social procurement in order to enhance and create social value. By following a social procurement model *{insert your organisation}* will be seen to be acting in a fair and equitable manner for all citizens.

The purpose of this policy is to -

* Define Social Enterprise for the purposes of Social Procurement in *{insert your organisation}*
* Define Social Value and highlight it as a criteria in purchasing policy of *{insert your organisation}*
* Provide a framework (appendix 1) to assist engagement in Social Procurement for *{insert your organisation}*

# 2. Scope

This policy applies to Board, CEO and staff of *{insert your organisation}*

**The Role of the Board:**

The Board is responsible for monitoring social purchasing and procurement in line with the procedures contained herein.

**The Role of the CEO:**

The CEO is responsible for implementing and monitoring social purchasing and procurement policies and procedures.

**The Role of the staff:**

The staff are responsible for implementing social purchasing and procurement policies and procedures.

# 3. Definitions

**Definition of Social Enterprise**

An organisation that exists to fulfil a mission that’s consistent with a public or community benefit. It trades to fulfil that mission and it reinvests a substantial proportion of its profit or surplus in the fulfilment of that mission

**Definition of Social Procurement**

Social procurement is the generation of social value and positive social outcomes through procurement processes. Social procurement can have direct and indirect approaches.

* **A direct approach** involves purchasing from for-social benefit entities such as not for profits, social enterprises, Australia Disability Enterprises, Aboriginal owned businesses, social businesses, worker or community owned cooperatives and others.
* **An indirect approach** involves including social clauses (e.g. employment targets for long term unemployed) in regular contracts with private sector providers, or screening supply chains for ethical considerations.
* **Social Procurement** can be encapsulated in a social partnership agreement whereby organisations commit to a general social value by using services through a reciprocal arrangement

**Definition of Social Value**

Social value is the social benefits generated through the procurement process, beyond the direct purchase of goods or services. Due to the nature of social value, the financial benefit of an initiative cannot always be quantified or defined. However, the social value can be measured by the social benefit to an individual or community.

# 4. Measurement

*{insert your organisation}* aims to ensure that {insert % decided by your organisation}% of its expenditure on goods and services is spent with enterprises that demonstrate social value creation.

# 5. Acknowledgements

Social Traders [www.socialtraders.org.au](http://www.socialtraders.org.au)

Shared Value Project [www.sharedvalue.org.au](http://www.sharedvalue.org.au)

Our Community <http://www.ourcommunity.com.au/files/procurement/Social_Purchasing_Policy.pdf>

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| Date adopted:  Date of last review:  Date for next review: |  |

**Appendix 1**

# Procedures

To advance social procurement and promote social value, *{insert your organisation}* will:

* Promote social awareness within *{insert your organisation}*.
* Encourage social enterprises to promote their goods and services to *{insert your organisation}*.
* Make purchasing decisions based value for money, rather than just the cheapest up-front purchase price.
* Implement a price preference of {insert % decided by your organisation}% to encourage the purchase of socially preferable products in recognition that in some cases the selection of socially preferable products, services and materials may be less competitive.
* Develop a weighting criteria percentage to apply to buying practices *{to be decided by the organisation}*
* Review targets and weighting on an annual basis