



# Getting social

**How social sustainability  
concepts can help win  
infrastructure tenders**

*(... that 'fluffy stuff')*

CCNZ ACENZ Conference, August 2018

Heather Murray and Kerrie McEwen



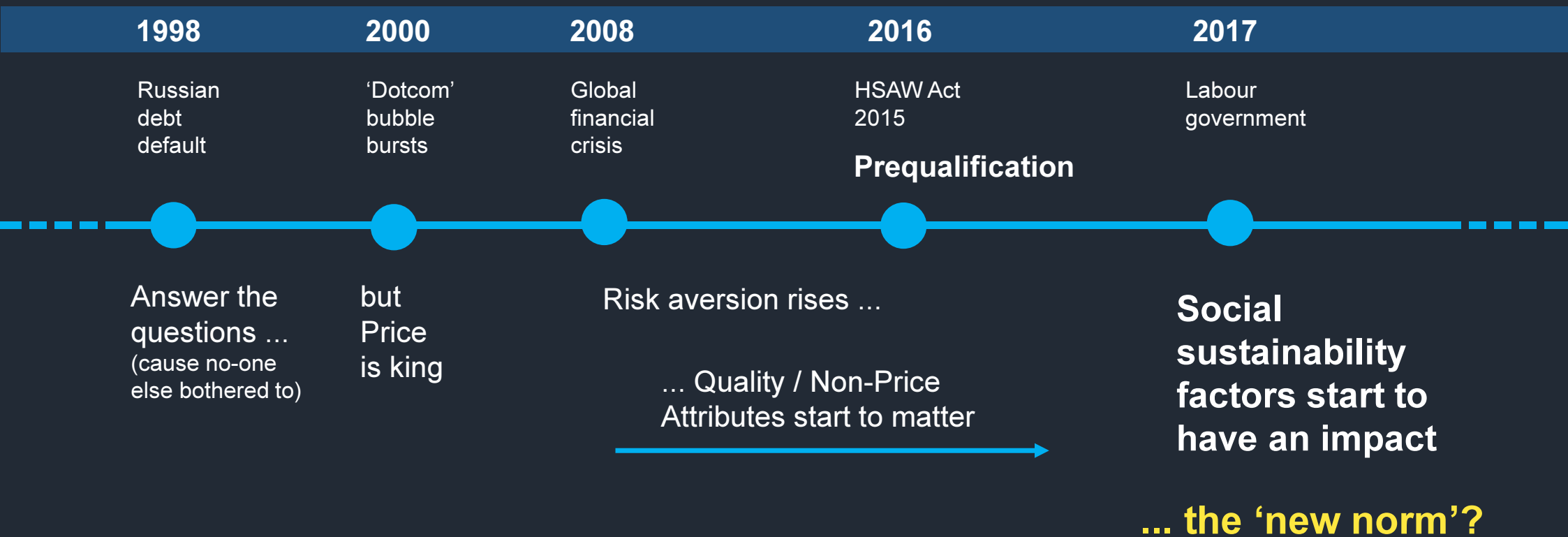
# Getting social

## 1. Setting the scene – What is ‘social procurement’?

– International and local examples

## 2. Where do you begin? (and what does ‘good’ look like?)

# Tendering in the last 20 years



# A definition

“Social procurement is when organisations use their buying power to:

generate social value above and beyond the value of the goods, services or construction being procured

... social value – the benefits created for all when the social and sustainable outcomes are achieved.”

# Public procurement: will the evaluation of social value become compulsory?

The UK government has announced changes to extend the scope of the Public Services (Social Value) Act 2012, designed to rebuild trust after the collapse of Carillion.

# Australia

“When buyers use their purchasing power to buy goods and services and social impact, they are undertaking social procurement.

It can create jobs and opportunities for people who may have struggled to find work; it can reinvigorate depressed communities and it can drive better business outcomes.”

Corporate Social Procurement in Australia – Business Creating Social Value  
Research Report 2013, Social Traders

CORPORATE SOCIAL PROCUREMENT IN AUSTRALIA

BUSINESS CREATING SOCIAL VALUE



RESEARCH REPORT 2013

SOCIALTRADERS



# Victoria State Government

## Victoria's social procurement framework

Building a fair, inclusive  
and sustainable Victoria  
through procurement



“Value for money is a key driver underpinning all procurement in Victoria.”

“to ensure value-for-money considerations are not solely focused on price

... incorporate a balanced judgement of a range of financial and non-financial factors.”

<http://www.procurement.vic.gov.au/Buyers/Social-Procurement-Framework>

# Auckland Transport

**Reducing Greenhouse Gas Emissions**

**Water Quality**

**Waste Management and Minimisation**

**Valuing Māori**

**Pacific Auckland**

**Local Community and Economy**





# AT Physical Works Supplier Panel

- Does your company have a Sustainability Manager (or equivalent) position?

- **Sustainability –**

Describe and provide examples where available, of your organisation's approach to Sustainability, and

how your organisation would contribute to achievement of AT's Sustainability objectives

as outlined in the AT Sustainability Framework at Appendix 2

# Auckland Council

## Group Sustainable Procurement Framework

### 4 Why focus on sustainable procurement?

The mandate for sustainable procurement comes from within and external to our organisation.



#### Policy Context

The breadth of sustainability frameworks, statute and policy settings at a global national and local level all impact sustainable procurement

##### Global

- United Nations Framework convention on Climate Change (UNFCCC)
- Kyoto Protocol
- C40 Cities Climate Leadership Group
- Global Lead cities on Sustainable Procurement

##### National

- Treaty of Waitangi / Te Tiriti o Waitangi
- Local Government Act
- Local Government (Auckland Council) Act
- Human Rights Act
- Resource Management Act
- Climate Change Response Act
- Energy Efficiency and Conservation Act
- Land Transport Management Act
- Government Policy Statements
- National Environmental Standards

##### Local

- Auckland Plan
- Auckland Unitary Plan
- Low Carbon Auckland
- Coastal Approach
- CCD Governance Manual
- Statement of Intent
- Organisational Policies and Plans

# CCNZ Auckland Branch Meeting – April

WaterCare | Auckland Council | Auckland Transport

**“... Contractors must not wait for Council but show initiative”**

**“... real and meaningful focus on engaging Maori and Pasifika. In a nutshell, embrace the Auckland Plan”**

**“... nearly everyone in the Supplier Panel submissions had poor answers for sustainability”**



# And it's not just Auckland

- Wellington
- Dunedin
- Others ...

# Getting social

Where do you begin?



# Where to begin?

- With a real **commitment** – with a Social Impact Plan – a living document and process embedded across your business
- By understanding what it means to be **social impact investors**
- **Engaging an expert** e.g. our contributors Clare Feeney, the Sustainability Strategist or Sam Patel from Responsive Consulting
- Ensuring your team has the **time and mandate** to deliver on your plan.

And what  
does  
good look  
like?

# You need a **plan!**

- Developing a plan for enduring social impact requires strategic rigor and financial savvy
- Defines a course of action — generally spanning 3 to 5 years — this is a long term vision
- Proves you have a commitment and a plan that is measured ... which you can submit to your clients if asked



# 4 principles for planning meaningful social impact initiatives

- **Identify new opportunities** in a particular social problem
- **Develop innovations** that lead to promising new approaches to projects
- Demonstrate accountability by **regularly measuring performance and impact**
- Secure **predictable revenue sources** that achieve financial **business** sustainability

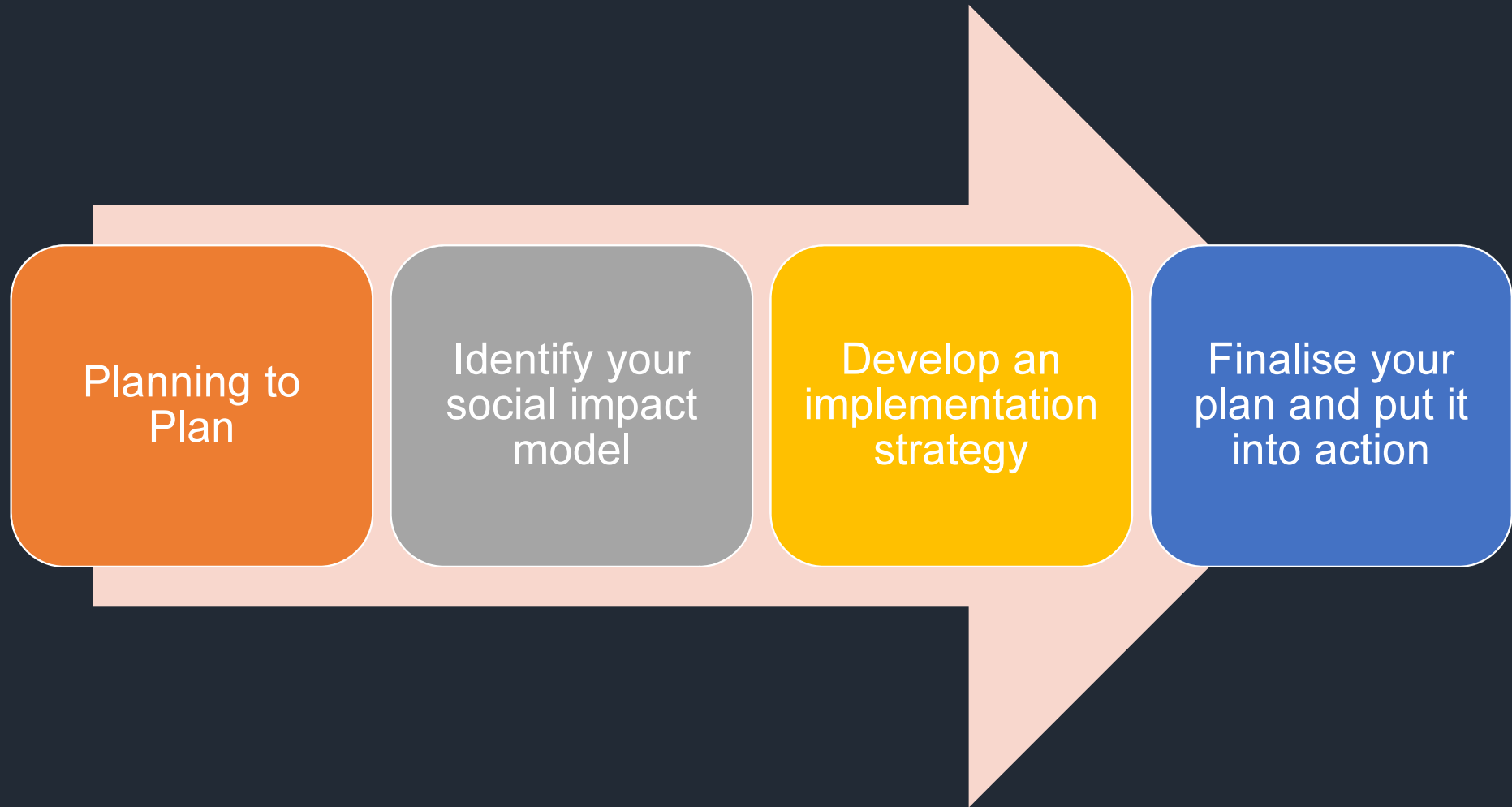




## **A complete Social Impact Plan will:**

- Serve as a road map
- Support the acquisition of resources
- Provide a method of measuring and monitoring performance
- Help to establish partnerships
- Enrich your field

# Overview of the process



# Planning to Plan

1. Select a working group
2. Identify and inform stakeholders
3. Develop a work plan and approval dates



# Identify your model

1. Provides the **framework** for how you will deliver your plan
2. Conduct a **needs and opportunity analysis** i.e. market need, threats, root causes, barriers and opportunities
3. You cannot solve all issues – **pick the ones** where you can make a meaningful impact

# They identified ...



**RJ Construction**

1. Civil construction – mainly pipelines
2. 80 employees
3. On top of HSQE plans
4. But ... no social impact plan ...

# RJ Construction: 4 areas of impact

- Skills development
- Alcohol and drug (AOD) use in the community and workplace
- Advance Māori employment and support Māori business
- Project-specific opportunities

## Need: Skills Development

Market need	High
Threats	Limited resource = no team to put up in tender or on projects No growth Performance issues on projects due to under-resourcing
Root causes	Not enough school leavers in related studies Limited knowledge of the sector
Barriers	Cost of studies Cost to company of funding studies with little promise of return
Opportunities	Join the CCNZ EPIC initiative Engage with local Urban Maori Authorities e.g. MUMA – Training for Work programmes Participate in local career days Develop two school leaver apprenticeships

*positive social impact*



**RJ Construction**

# Need: Alcohol and drug (AOD) use in the community and workplace

Market need	High
Threats	High – social issue overall Safety Losing potentially great employees
Root causes	High availability Mental health issues (anxiety, depression, stress)
Barriers	Zero tolerance approach is more a reactive approach Cost of a robust programme
Opportunities	Pair up with a local AOD services provider In-house AOD programme

*positive social impact* →



**RJ Construction**



## Advance Māori employment and support Māori business

Market need	High – essential for the economy and enabling Maori and Pasifika youth to gain the essential skills to increase employment and income
Threats	Engagement
Root causes	Struggling with stereotypes, complex intertwining of structural inequalities, lifestyle factors, access to healthcare, discrimination and other socioeconomic determinants
Barriers	Cultural understanding, cost, concerns over success rate
Opportunities	School leaver apprenticeship (one specifically for Māori/Pasifika) Partnering with local skills development organisation Mentor a Māori/Pasifika owned business

*positive social impact*



**RJ Construction**

## Project-specific opportunities

Market need	High school adjacent to site
Threats	
Root causes	
Barriers	
Opportunities	Hold an information session at the school Allow site visits

*positive social impact*



**RJ Construction**

# Develop an implementation strategy

- **Identify** and **cost** suggested initiatives
- Develop the plan with **timeframes for deliverables**
- Set up a **reporting structure** (e.g. traffic light reporting)
- This will be on hand and ready to submit with your bid

**And you will be making a positive social impact!**

Area	Initiative	Detail	Outcomes	Launched	In progress	Achieved	Owner
Skills Development	CCNZ EPIC	Promote careers in our industry using toolkits etc.	Consistent stream of employable staff	Ongoing	Ongoing		MD, SC
Skills Development/ Advance Māori employment and support Māori business	Apprenticeship programme	Partnership with MSD Training for Work Provider – 1 Apprentice	Full time, skilled employees	3 March 2017	In 2 <sup>nd</sup> year - ongoing	Has passed Exam 234. One year until Diploma-qualified.	MD, FL
Skills Development/ Advance Māori employment and support Māori business	Apprenticeship programme	1 school leavers every two years	Full time, skilled employees	1 February 2018	In 1 <sup>st</sup> year - ongoing	Exams in September 2018.	MD, FL
Drug & Alcohol	Workplace AOD programme	Partnership with AOD NZ, print campaign on site, AOD texting	Health AOD-free employees	1 April 2016	In 3 <sup>rd</sup> year - ongoing	AOD-related incidents dropped by 10%	MD, JK
Advance Māori employment and support Māori business	Mentoring Maori-owned SMME	Monthly meeting with Company X. Provide governance, business development and commercial support.	Sustainable business and reliable, successful subcontractor	1 September 2016	In 2 <sup>nd</sup> year	Business has seen year-on-year growth of 10%  Recently won a CCNZ Award.	MD, FL

# Finalise your plan and put it into action

- Schedule **regular meetings**
- Encourage **ideas** from your team
- Keep the **report up to date**
- **Keep everything** ... good news must be shared!

# Good news!



On our recent Waterfield project, students from Flurry School visited the site to learn more about the positive impact the project would have on their community.



At RJ Construction we have a skills development programme in place.

Recently Max Jones completed his XYZ qual and is now a fully-fledged member of our delivery team.

Thank you to our contributors ...

Clarefeeney  
*The Sustainability Strategist*





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Questions?



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