

TRAINING
FOR THE
FUTURE

SOCIAL PROCUREMENT IN PRACTICE

A resource for Victoria's transport
and infrastructure industry



Department
of Transport

Authorised and published by the Victorian Government,
1 Treasury Place, Melbourne

Program partners



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Acknowledgement of Country

Victoria's major transport infrastructure projects touch Country across Victoria where members and Elders of the local Aboriginal community have been custodians for many centuries. We acknowledge their living culture and their unique role in the life of these regions. We acknowledge the Traditional Owners of the land we work on and travel through and we pay our respect to Elders past and present.

In this document Aboriginal is used to refer to Aboriginal and Torres Strait Islander peoples.

INTRODUCTION

Social Procurement in Practice is a compilation of strategies and case studies developed by industry, for industry. In line with the Victorian Social Procurement Framework, this resource:

- provides key definitions and explains how social procurement adds value for money
- sets out practices that have been used by Victoria's transport and infrastructure industry to increase social procurement
- offers ideas and suggestions on how to make social procurement work in your business, according to your targets and requirements
- does not replace any existing policies or processes.

Social Procurement in Practice was created under the Victorian Government's Training for the Future program in partnership with Kinaway Victorian Aboriginal Chamber of Commerce, Supply Nation and Social Traders. It was co-designed with the Training for the Future's Social Procurement Innovators Network, which brings together industry leaders and innovators and is led by Social Traders in partnership with Supply Nation and Kinaway. We thank our partners for their invaluable support and contribution.



Who should use Social Procurement in Practice?

Social Procurement in Practice is for you if you are part of Victoria's transport and infrastructure industry. This includes those who:

- buy goods or services on site or in the office
- manage contracts or subcontracts
- hire or train staff
- coordinate sustainability policy or practices
- influence people responsible for procurement, recruitment or sustainability
- are a leader
- champion social and economic inclusion of all Victorians.

Get in touch

To find out if you or your client have social procurement requirements and which strategies you can apply, contact your contract administrator or manager.

A NEW WAY OF DOING BUSINESS

WHAT IS SOCIAL PROCUREMENT?

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.

In Victoria's transport and infrastructure industry, social procurement is achieved via:

- the **supply chain** by procuring from Victorian Aboriginal businesses, Victorian social enterprises or Australian Disability Enterprises (in this resource referred to as 'social benefit suppliers')
- **workforce diversity** by employing, training or supporting priority job seekers and people who are underrepresented in the industry
- **sustainability** by decreasing negative environmental impacts and increasing positive environmental outcomes

The government's expectation that social procurement becomes **business as usual** is clear through Victoria's Social Procurement Framework. This is consistent with other initiatives such as Victoria's Local Jobs First Policy and Tharamba Bugheen: Victorian Aboriginal Business Strategy.

Victoria's Social Procurement Framework sets a consistent approach for all government departments, agencies and authorities, who are looking for people and businesses who can help them progress.

Even before the framework was launched in April 2018, Victoria's transport infrastructure projects and operators saw that this was the new way of doing business and set social procurement requirements for their contract partners.

Social procurement is not just happening in Victoria. The Australian Government and the Queensland and New South Wales governments set targets for buying from Aboriginal businesses, and the Infrastructure Sustainability Council of Australia's rating scheme also considers social, environmental and economic outcomes.



Progress

The Level Crossing Removal Project is a multi-billion dollar project that will be completed by 2025. Its contract partners doing the works are set a target to spend at least three per cent of total costs on social procurement. In just the first three years, many contractors along with their subcontractors went from knowing little about social procurement, to spending \$99 million on social procurement.

Significantly, the Business Council of Australia and Supply Nation's 2019 Raising the Bar initiative commits member companies to collectively spend over \$3 billion with Aboriginal businesses over five years (up to three per cent of their annual influenceable spend).

Social procurement is growing globally too. Construction contracts for the 2010 Vancouver Olympics Athletes' Village required bidders to include job opportunities for local low-income residents. The model was used for the 2014 Glasgow Commonwealth Games, and the Toronto 2015 XVII Pan American Games.

Requirements aside, many businesses are setting their own social procurement targets. As part of Social Enterprise UK's Buy Social Corporate Challenge construction companies like Mace, Amey, Wates and Robertson have collectively spent more than £45 million with social enterprises since 2016.

"The Victorian Government's policy about setting social procurement targets has changed the way that infrastructure works.

There have always been pockets of people with passion and commitment in this space, but the policy framework we're working under is changing how we do business.

I don't think that any infrastructure project now will ever step back from social procurement as the way that we work."

Leigh Hardingham, General Manager, Social Procurement and Inclusion, John Holland

Zancott Recruitment on major transport infrastructure projects

Zancott Recruitment is a 100 per cent Aboriginal-owned recruitment company in their 13th year of operation. They supply permanent, temporary and contract labour hire in the civil sector and stand by their nation-wide 15,000 screened and qualified, ready to work candidates.

Zancott are supplying labour to the Rail Infrastructure Alliance, the Level Crossing Removal Project's north western, southern and western program alliances, Metro Tunnel Project's Tunnels and Stations contractor CYP Design & Construction and Major Road Projects Victoria's Western Roads Upgrade.



WHY IS SOCIAL PROCUREMENT IMPORTANT?

One of the government's major priorities is achieving value for money, which doesn't necessarily mean buying the cheapest option available. It is this priority that drives the state's motivation for social procurement to become business as usual.

Value for money

Victoria's transport and infrastructure industry has significant buying power that can be used to generate value beyond the construction or service delivery. We can move forward with social procurement secure in the knowledge of the government's ongoing investment in transport and infrastructure, and we should make the most of it. The value for money that social procurement offers comes in various forms.

You can be more innovative.

Social procurement offers you the opportunity to work with a new range of businesses and people. It's a chance to diversify your supply chain and workforce and bring in new perspectives. Businesses have found that social procurement refreshes their way of thinking about production, delivery, efficiencies, business models, work opportunities and technology.

You could have a competitive advantage.

As social procurement becomes the expected norm, businesses tendering for works are explaining

how they will procure from social benefit suppliers, diversify their workforce and improve sustainability. Many are going a step further by showing how they have already done so, which could give them a distinct point of difference.

You can raise your brand profile and become a workplace of choice.

Businesses that give back to community find that it provides them a point of difference in marketing and helps to increase staff engagement and attract new staff. Environmental and long-term social impact (corporate social responsibility) is increasingly important to clients, employees, stakeholders and investors. This means more than donating to charity or staff volunteering.

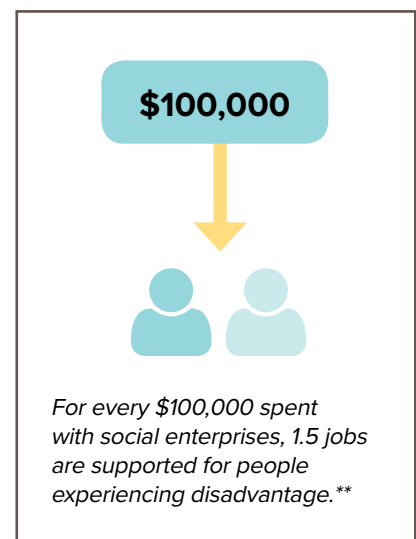
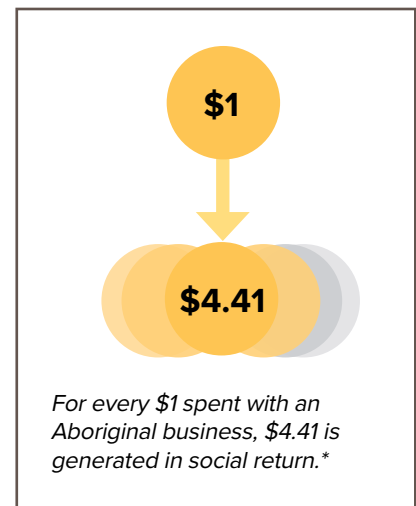
You can secure your supply chain and fill skill gaps.

The increase in rail and infrastructure projects will put pressure on the availability of quality suppliers and skilled people. More and more social benefit suppliers are entering the market and new people are obtaining skills required by industry. As more projects are awarded, engaging them can help reduce the risk of gaps in your supply chain and workforce. As a relatively untapped market, social procurement is important for your capability and capacity to complete future work.

You can create a legacy.

By adding social and environmental impact to the value for money equation, you can make a difference to people's lives and to our planet. You can divert

waste from landfill and invest in sustainable products. You can support local businesses, offer skills and jobs to those who need it most and create a workplace where people can be their true selves. Joining the industry could give someone a new career, a home loan, or even a sense of belonging. That's value for money that can't be priced. Even so, some have tried.



*Reference: <https://supplynation.org.au/sleeping-giant-report/>

**Reference: https://www.socialtraders.com.au/wp-content/uploads/2018/12/Social-Traders_2018.pdf

SOCIAL PROCUREMENT VIA THE SUPPLY CHAIN

Materials, trade crews, services, consumables and labour-hire make up most big-ticket items so direct purchasing from social benefit suppliers is an efficient way to increase your project's value for money, meet social procurement expectations and support local business.

Victorian Aboriginal businesses

The Victorian Government defines Victorian Aboriginal businesses as a commercial business that:

- *is at least 50 per cent Aboriginal and/or Torres Strait Islander owned;*
- *undertakes commercial activity; and*
- *operates and has business premises in Victoria.*

Supply Nation

Supply Nation brings together the largest national database of verified Aboriginal businesses and joint ventures with the procurement teams of Australia's leading organisations to help them engage, create relationships and do more business.

Kinaway – Victorian Aboriginal Chamber of Commerce

Kinaway is a Gonnai word meaning 'exchange'. Kinaway works closely with Victorian Aboriginal and Torres Strait Islander businesses by providing support, policy, advocacy and representation services. Kinaway supports the growth of Victoria's Aboriginal business sector through a strength-based model of business ownership and participation in the Victorian economy. Kinaway's database of certified Victorian Aboriginal businesses complements its membership services.

Business goals

The main goal of an Aboriginal business is to run a profitable and quality business—they just happen to be owned by someone who is Aboriginal. There is no expectation that the business creates social impact, but it is more likely. For example, Aboriginal businesses tend to employ significantly more Aboriginal people and allow owners to become self-determining.

Bunjil Energy and Rail Project Victoria's Ballarat Line Upgrade

This renewable energy company is committed to partnering with government and Australian businesses to deliver clean energy, Victorian Aboriginal procurement and Victorian Aboriginal employment. Bunjil Energy was cofounded by Isaac Harrison who has seven years' experience of systems design, procurement and construction contracts in the renewable energy industry.

Bunjil Energy has worked on projects small and large. They were contracted by Lendlease Coleman Rail to supply and install solar panels at the new Cobblebank Station, upgraded Wendouree Station and new stabling facility at Maddingley. Once installed, the panels will generate more than 30,000 kilowatt hours of electricity each year - around six times the electricity used in the average family home. Bunjil Energy are also progressing delivery for Toolern Station.



“I don't see why we can't get to 10 or 15 per cent social procurement spend and a 50:50 gender split for work. What I enjoy about buying from Aboriginal businesses or social enterprises is the quality of the product. I think people have this misunderstanding that a community business won't be efficient, or that they are a charity that is going to be too costly. That's a big misunderstanding.”

Tyron Bravo, Industry Capability and Inclusion Manager, Southern Program Alliance, Level Crossing Removal Project

Victorian social enterprises

Social enterprises are businesses that exist to benefit the community. They can do this by training or employing people facing disadvantage, reinvesting profits into programs that benefit community or developing business models to address disadvantage.

Social Traders defines social enterprises as businesses that:

- *have a defined primary social purpose, or environmental or other public benefit*
- *derive a **substantial portion** of income from **trade***
- *reinvest 50 per cent or more of annual profits towards achieving the social purpose.*

Substantial portion of income is defined as one of the following:

- 50 per cent or more if trading for more than five years
- 25 per cent or more if trading for three to five years
- a genuine and demonstrable intention to generate 50 per cent or more if trading for less than three years.

Trade is defined as the organised exchange of goods and services, including:

- monetary, non-monetary and alternative currency transactions where these are sustained activities of an enterprise, or contractual sales to governments where there has been an open tender process
- trade within member-based organisations where membership is open and voluntary or where membership serves a traditionally marginalised social group.

Social Traders

Social Traders works with business and government to build social enterprises into their supply chains. They manage a directory of certified social enterprises, build their capability and host networking events.

New businesses

Social procurement is possible all along the supply chain. No matter how global or local your business is, there's a strong case to join in and add exciting new businesses to your preferred suppliers list.



Australian Disability Enterprises

Australian Disability Enterprises (ADEs) are Commonwealth-funded, not-for-profit organisations or social enterprises operating in a commercial context, specifically to provide supportive employment to people with disability.

ADEs give their staff the opportunity to make meaningful contributions to the economy, participate in a workplace and benefit from greater professional and social interactions. Many develop new skills and successfully transition to open employment.

Fair and safe workplaces

The Victorian Government encourages engagement with ADEs that offer award-based pay rates for all staff and promote secure employment. This reflects the need for buyers to purchases from suppliers that comply with industrial relations laws.

Ability Works Australia on Level Crossing Removal Project's North Western Program Alliance

Ability Works Australia is an agile and innovative Australian Disability Enterprise and social enterprise operating since 1963. With four business units – wire and metal fabrication, digital document scanning, packaging and assembly, logistics and fundraising – they produce and trade in goods and services with clients including Transurban, Plastic Solutions Australia, Victorian Temporary Fencing and Concept Wire Industries.

Ability Works operates commercially to create opportunities for people with disability or facing social disadvantage to discover their potential and enhance their lives through employment. They can custom produce a range of items relevant to industry, such as non-structural mesh as a spacer for structural steel and shade cloth for road barriers, which they supplied for the Level Crossing Removal Project's North Western Program Alliance.



SUPPLY CHAIN SOCIAL PROCUREMENT OPPORTUNITIES

The opportunities for social procurement are increasing as new social benefit suppliers are established and existing ones expand, partner and develop. Suppliers are flexible, nimble and keen to get into your supply chain.

Social procurement on the worksite

This photo shows just how many procurement categories have been covered by Victorian Aboriginal businesses and Victorian social enterprises on worksites across Victoria's major transport infrastructure projects.

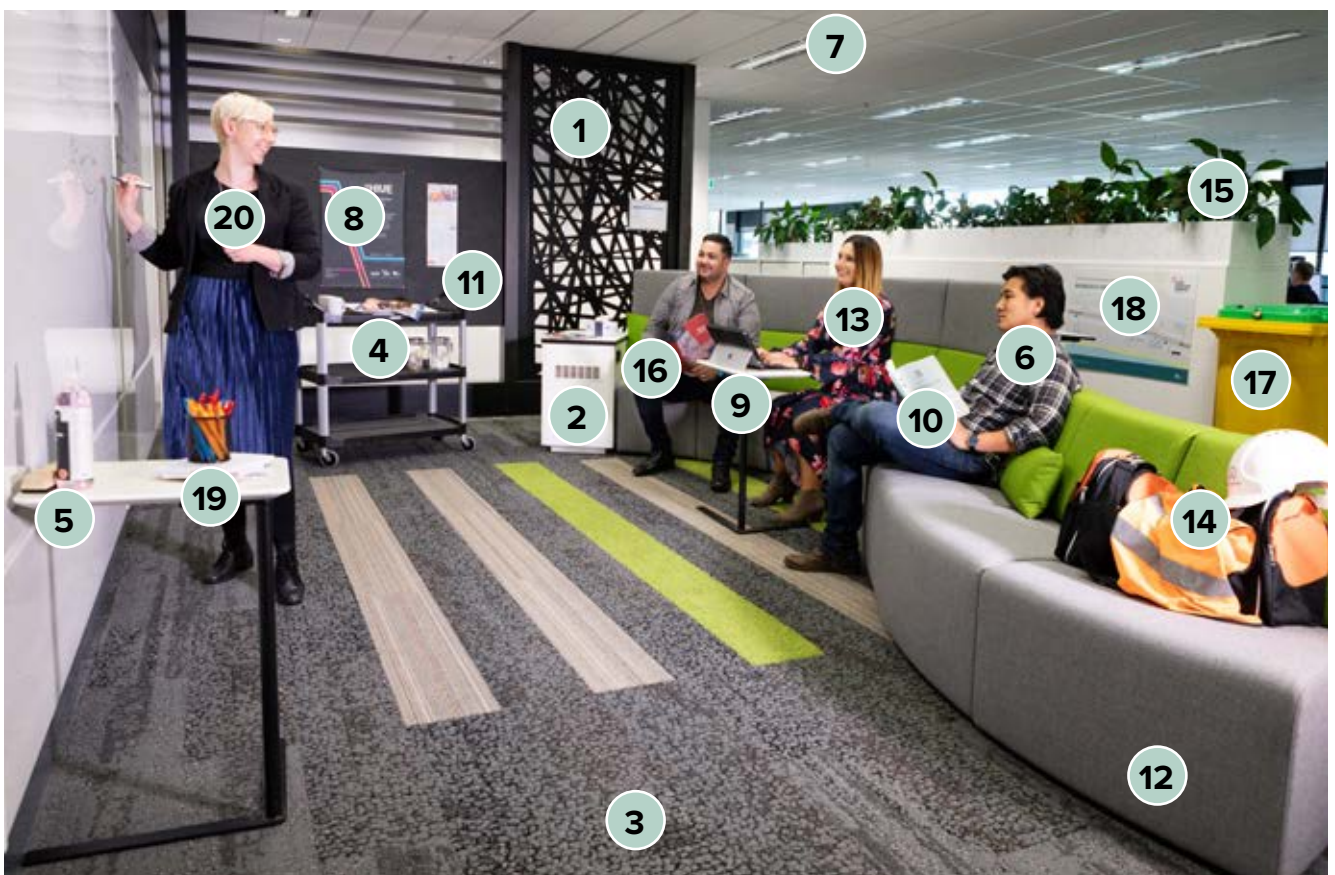


1. Anti-graffiti paint
2. Architecture and design
3. Concreting/formwork
4. Earthworks
5. Energy and lighting
6. Temporary fencing
7. Landscaping (plants, trees, seeds, beds, outdoor furniture, maintenance)
8. People (labour hire)
9. Personal protective equipment (PPE)
10. Pipes and drainage
11. Safety barriers
12. Scaffolding and access
13. Security
14. Shipping containers
15. Signs
16. Traffic management
17. Transport: cars and trucks
18. Waste management
19. Wet hired plant
20. Wire and metal fabrication

Social procurement in the office

Even your offices present opportunities for social procurement.

This photo shows the type of procurement categories that have been covered by Victorian Aboriginal businesses and Victorian social enterprises in office-based workplaces.



1. Artwork
2. Cabinetry
3. Carpet
4. Catering
5. Cleaning (services and supplies)
6. Consultancy
7. Energy (electricity and lighting)
8. Graphic design, animation, video production and distribution
9. IT solutions
10. Legal services
11. Media & communications
12. Office fit-outs
13. Office labour hire
14. Personal protective equipment (PPE)
15. Plants
16. Printing
17. Secure document shredding and scanning
18. Signs
19. Stationery
20. Training

STRATEGIES TO SOURCE FROM SOCIAL BENEFIT SUPPLIERS

Projects and businesses across Victoria's transport and infrastructure industry have shared the strategies they have used to get social benefit suppliers into their supply chain smoothly, and with maximum benefit.

These are explored in the following pages and include:

- **Partnerships and joint ventures**
- **Bundling and unbundling packages**
- **Different approaches to procurement**
- **Setting social procurement policies, targets or requirements**
- **Drawing on other's expertise and cross-project collaboration**

Partnerships and joint ventures

Social procurement has been achieved by:

- starting a partnership or joint venture with a social benefit supplier
- encouraging a subcontractor to partner or joint venture with a social benefit supplier by setting up a meeting or making an introduction.

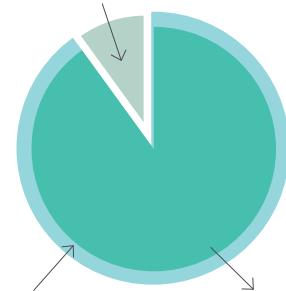
When a business has actively helped to build the capacity and capability of smaller or more specialist social benefit suppliers, the benefits are exponential and long-term.

Partnerships

Partnering with a social benefit supplier has been shown to:

- grow the size of a business
- enable businesses to take on more work
- open doors to different or more specialist work, goods, services and clients
- offer an opportunity to share skills with less-experienced business owners.

Social benefit supplier



Extra work = pie grows for everyone

Larger business

Clean Force Property Services and the Metro Tunnel Project

Clean Force Property Services is an 18 year old social enterprise providing jobs for people who have a disability or experience other barriers to employment. They deliver over \$6 million in commercial cleaning contracts a year for over 180 contracts, and service over 250 sites in Melbourne and Sydney. Their services include regular commercial cleaning, builder cleans and general, recycled and confidential waste services.

CYP Design & Construction is the consortium designing and building the Metro Tunnel Project's five underground stations and twin tunnels. When they wanted to award their cleaning package to a social enterprise or Aboriginal business, they realised none had the capacity to do it all so unbundled it into three precincts. They received tenders from three social benefit suppliers and awarded contracts to Clean Force Property Services and Aboriginal business Pacific Facility Services. Clean Force has also supplied cleaning for the Level Crossing Removal Project's Hurstbridge line, tunnel duplication at Heidelberg, Mernda Rail Extension, Frankston Skye Road, North Melbourne's Macaulay Road and Metro Tunnel sites in the Melbourne CBD.





Monero Constructions and Cycon Civil Partnership

Monero Constructions is a civil construction company specialising in formwork, steel and concrete structures. As a proudly Aboriginal owned business, their mission is to strengthen the Indigenous community through full time employment and continual mentoring in valued trades and business practices. Monero has worked on the Huntingdale Bus Interchange, West Gate Tunnel Project, CYP Design and Construction for the Metro Tunnel Project, Rockbank Station rebuild and several Level Crossing Removal Projects.

It was there on a North West Program Alliance site in 2018 that Director Gary Mongta met Tony Ciccone, Construction Manager at civil construction, earthmoving and contracting company Cycon Civil. After forming a partnership and working on various sites, both businesses have grown, and together they've secured work on sites such as High St Reservoir and several Southern Program Alliance sites. Their future is bright, and as of late-2019 they are preparing to form a joint venture listed with Supply Nation as Cycon Monero Group Pty Ltd.

Joint ventures

Joint ventures work the same as a partnership but involve two or more companies formally joining for a specific project or to bid for future work. Joint ventures involving an Aboriginal business or social enterprise should benefit all parties.

To be certified and registered on Supply Nation's directory, joint ventures must:

- be for-profit and trading as a business, not a registered charity
- be at least 50 per cent Aboriginal owned
- demonstrate 50 per cent Aboriginal involvement in the management and control of the joint venture
- have a plan to build the capability and skills of the Aboriginal business partner
- have an Indigenous Workforce Plan.

Bundling and unbundling procurement packages

Unbundling

Unbundling is taking apart a package of works. For example, itemising the major purchases in a landscaping package and seeking tenders from social benefit suppliers to supply those goods or services.

The result could be awarding contracts to:

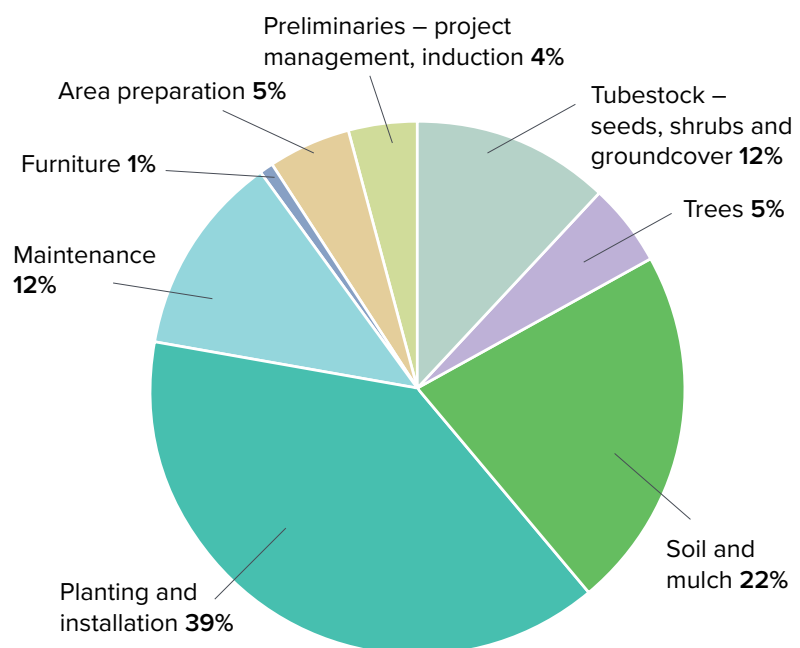
- several social benefit suppliers
- a mix of Aboriginal businesses, social enterprises and ADEs
- a mix of social benefit suppliers and "mainstream" businesses
- a partnership or joint venture between a social benefit supplier and a mainstream business.

Once unbundled, a package of works can be re-bundled to form a different package of works.

Bundling

Bundling is putting together a package of works. For example, rather than award short contracts to different labour-hire or stationery companies for each project or package, bundle the work you need into one contract awarded to one supplier over a longer timeframe.

Example of an unbundled landscaping package.





McConnell Dowell's commitment to social procurement

McConnell Dowell is part of the Level Crossing Removal Project's Western Program Alliance with Arup and Mott MacDonald. Recognising the significant role procurement plays in the supply chain, McConnell Dowell have introduced social procurement parameters into their corporate procurement policy and procedures.

Within its Australian operations, McConnell Dowell has mandated a requirement to identify opportunities to procure from social benefit suppliers. This includes engaging contractors with a similar commitment. The purpose of this is to encourage local business, support people experiencing disadvantage and promote their employment on projects. This policy change ensures that all McConnell Dowell projects across Australia make the most of their spending, not only providing value to customers but also lasting benefits to the community.

Setting social procurement policies, targets or requirements

Social procurement has been around for years. However, for the transport and infrastructure industry it wasn't until government policy and requirements were built into contracts and business models that large amounts began to be spent.

The type of business strategies and goals that Victoria's transport and infrastructure projects and operators have set for themselves and their contractors differ, but include:

- a percentage of total project costs to be spent on procuring from social benefit suppliers, sometimes presented as separate targets
- procuring from a minimum number of social benefit suppliers
- self-imposed competitive social procurement targets
- regular reporting on the above to client, peak bodies and government.

Companies contracted with this work have set similar models for their subcontractors, thereby sharing the work and the benefits.

Subcontractors are well positioned to:

- help their clients fulfil their obligations to the government
- go on to secure contracts with clients with similar obligations
- leave their own legacy.

Due to these benefits, many subcontractors do not wait for their client to set targets but approach them ready with social benefit suppliers and a diverse workforce. They are savvy and see the future of social procurement as business as usual.

Approaches to procurement

Some social benefit suppliers have limited office staff or are less familiar with government and corporate processes. So, making small changes creates a smoother path for these suppliers. Small things can go a long way and these simple strategies have been successfully used by businesses in the industry.

Pre-meeting

Meeting with social benefit suppliers prior to tender ensures that they are prepared, understand the risk profile and know the procurement process.

Shorter invoicing terms

Several companies and subcontractors have introduced 30 or even 14 day payment terms for social benefit suppliers. This allows them to commit to and begin future work packages, because they don't need to wait up to 65 days to be paid and receive the funds needed to sustain their business operations.

Approved supplier lists

If you are likely to use social benefit suppliers, getting them on your approved supplier list early can:

- shorten the time between supply and payment
- give them time to do the paperwork without taking time away from the job itself, (sometimes the same person doing the work does the paperwork)
- set them up for future work not just with you, but with others in your company who review the list.

A note on the Australian Supplier Payment Code.

While some social benefit suppliers find longer payment terms challenging, not all are considered a small business. This means that the voluntary initiative for companies who are signatory to the Business Council of Australia's Australian Supplier Payment Code to pay eligible Australian small business suppliers within 30 days doesn't always apply to social benefit suppliers.

Procurement form prompts

In some businesses, procurement forms that prompt or require staff to find and, where applicable, consider social benefit suppliers have led staff previously unaware of such suppliers to use them on a regular basis. For example, the form may ask staff to confirm that they sought a quote from an Aboriginal business or social enterprise and if one was provided, to state why they weren't used.

Involve key staff

Businesses who employ staff responsible for championing social procurement and inclusion embedded them in the procurement process by requiring their approval on key documents. This not only ensures consideration of social benefit suppliers but makes key people aware and able to offer advice or even promote it as a good news story.

Drawing on others' expertise and cross-project collaboration

Advice from industry is that social procurement should be a whole-of-organisation and even cross-project practice. As well as any social procurement and inclusion staff, they involve engineers, local industry development managers, and commercial, procurement and communication teams. Informal and formal networks and committees are becoming common across industry, allowing staff to share practices, discuss a supplier's capability and future capacity and even collaborate on joint ventures, training or delivery times.

Targeted panels

When there is an available social benefit supplier, some businesses have made it standard to invite at least one such supplier onto tender panels, or to invite only social benefit suppliers to tender for a particular contract. Targeted panels have helped social benefit suppliers enter the market because they do not rely on the decision maker's familiarity or support of social procurement to ensure that they hear directly what suppliers can offer.

Little Rocket, Rail Projects Victoria and Level Crossing Removal Project

This experienced and skilled team is passionate about delivering quality marketing, communications and creative services. Gurindji man – John Burgess, founded Little Rocket in 2010 to offer a true end-to-end agency service and give back to community. Services include; strategy, graphic design, branding, videography, photography, digital, advertising, public relations and illustration.

This thriving business works with Rail Projects Victoria and others such as Level Crossing Removal Project, Department of Premier and Cabinet, Department of Environment, Water, Land and Planning, NAB and Melbourne and Barwon Water. They also shot and edited all footage and completed photography for several Training for the Future projects. Little Rocket is a 100 per cent owned and operated, certified Aboriginal business, which has strong relationships to Country and community.



ENGAGING VICTORIAN SOCIAL BENEFIT SUPPLIERS

Industry has shared some strategies for sourcing from social benefit suppliers, so how do you find and engage them? Our contributors suggest that you:

- review your company's internal preferred supplier lists – someone may have already used them
- talk to colleagues on other projects
- visit them as they work on other's sites
- speak to your project's social procurement or inclusion lead
- become a member and search directories of suppliers verified with Supply Nation, Kinaway and Social Traders
- visit their office or warehouse and go on a site tour – this is great way to see the quality of their goods and services first hand
- attend tradeshow or other events connecting buyers with social procurement suppliers
- be specific about when and what you'd like to buy and discuss future purchases they may be able to supply.

Like all businesses, social benefit suppliers can often find a way to meet a client's needs, even if it's

outside their usual work. Social benefit suppliers also need to be wise in how they spend their time, and more and more companies are calling on them as social procurement becomes business as usual.

What three things can you do in the next week to connect with a social benefit supplier?

Who will you need to speak to?



“Being an engineer, I haven't focused a large amount on social procurement in the past. Now I'm doing it a lot more than I ever have. It's a very large part of the daily business for me in making sure that the teams that I run focus on it and really try to innovate and optimise everything we can in that area.”

Rob James, Project Manager,
North West Program Alliance,
Level Crossing Removal Project

SOCIAL PROCUREMENT VIA WORKFORCE DIVERSITY

Diversifying your workforce is beneficial, and it could also be an opportunity for social procurement. Many of Victoria's major transport and infrastructure projects have social procurement requirements that can be met by employing, training or supporting priority job seekers and people who are underrepresented in the industry.

Depending on your contract or workplace, this often includes Aboriginal people, women, veterans, ex-offenders and those who have disability, arrived as refugees or asylum seekers or are long-term unemployed or homeless.

Social procurement requirements relating to workplace diversity can include:

- a percentage of total costs spent on employing or training priority job seekers
- a percentage of employees from underrepresented groups; for example women or people with disability
- a percentage of labour hours worked by Aboriginal Victorians
- introducing or strengthening inclusive business practices and inclusion strategies

To meet workplace diversity requirements, projects and subcontractors have:

- committed to increase the number of employees with disability
- hired retrenched automotive workers or long-term unemployed

- employed people who arrived in Australia as refugees
- recruited Aboriginal student interns
- subsidised scholarships to strengthen women's career development
- trained staff members with disability
- partnered with job service providers such as Jobs Victoria or Australian government employment programs
- introduced a family violence policy
- collaborated with TAFEs and registered training organisations
- engaged target-group specific service providers or community groups.
- implemented a disability plan



Refugee Talent, West Gate Tunnel Project and the Training for the Future Program

Refugee Talent is a social enterprise and online employment platform used by businesses and government to hire diverse talent across Australia. Co-founders Nirary Dacho and Anna Robson met at the Sydney Techfugees Hackathon in 2015, and later partnered with Talent Beyond Boundaries to enable businesses to also hire refugees still displaced overseas and bring them to Australia to fill skills shortages. In the first year of the West Gate Tunnel Project, Refugee Talent placed 14 candidates into various roles, and the first Talent Beyond Boundaries placement commences in late 2019.

Refugee Talent not only provides employment opportunities but offers its unique proprietary technology so that organisations can manage their own projects. For example, they designed and built a custom platform to support and administer three Training For the Future programs; GEN44, GEN8 and GROW.

Metro Trains Melbourne on track for 40% female workforce by 2027

Significant growth is changing this traditionally male-dominated industry and Metro understand that greater gender balance creates higher-performing teams. They set a target to have a 40% female workforce by 2027, and since 2009 have gone from employing 400 to over 1400 women; or 24.5 percent of their workforce. Key to Metro's success is embedding annual gender composition targets into manager's key performance indicators and specifying targets for senior leadership roles.

To support this, Metro introduced changes such as expanded paid parental and pre-natal leave, superannuation payments for unpaid leave and a new flexible working framework. They also visibly support inclusion in the workforce, for example by hosting women's networking events and gaining special dispensation to advertise for female train drivers. Metro is also the most represented employer in the Women in Transport Mentoring Program, with their staff making up 41 per cent of all program participants.



Another strategy has been to survey the current workforce to ask if they belong to priority job seeker or underrepresented groups. Practice suggests that surveys are:

- voluntary
- upfront about why the information is being collected
- clear on privacy and who the information will be shared with
- simple – if you don't know what you'd do with information, do not ask for it. If you can ask a question in fewer words, do so.
- done as part of the onboarding or induction process for new staff after the person has begun work.

Women in Transport

Women in Transport is the Department of Transport's \$2 million package of initiatives and business improvements to increase female representation across Victoria's transport industry to 25 per cent by 2020. The program supports the state's Gender Equity Strategy and a key focus is empowering high potential women rise to senior positions.

WOMEN
in Transport

SOCIAL PROCUREMENT VIA SUSTAINABILITY

Sustainability is considered social procurement because it achieves value for money and positive environmental outcomes, which in turn improves life for current and future generations.

Sustainable procurement practices may include:

- maximising recyclable/recovered content;
- minimising waste and greenhouse gas emissions;
- conserving energy and water;
- minimising habitat destruction and environmental degradation; and
- providing non-toxic solutions.

The Victorian Government encourages sustainable practices that go beyond compliance requirements to decrease negative environmental impacts and increase positive environmental outcomes. Through reducing waste, reusing and recycling, social procurement can generate demand for recyclable materials that would otherwise go to landfill.

The transport and infrastructure industry offers many opportunities to minimise environmental impact, and its projects are well placed to increase demand for products containing recycled materials.

Outlook Environmental Services and Haulaway Waste Management Service

Outlook Environmental Services create one job for every 150 tonnes of recyclable materials they divert from landfill. A social enterprise that has worked in resource recovery and waste management for over 23 years, around 70 per cent of Outlook's staff come from marginalised groups, including 40 per cent with disability. With centres in Darebin, Melton, Hampton Park, Mornington and Officer and a new site opening in the inner west, their services include diverting site waste, e-waste processing and recycling, residential transfer stations and recycled market shops.

Outlook has worked on Major Road Projects Victoria's Western Roads Upgrade and most level crossing removal projects. For the West Gate Tunnel Project, they partner with Haulaway Waste Management Service who transport waste from worksites to Outlook's centre. This has resulted in a partnership that creates more work for both parties and better outcomes for the environment and community. Outlook also work with other logistics companies on projects including the Metro Tunnel Project.



Reusing and reducing waste with recycled sand

The Kororoit Creek Road Level Crossing Removal Project is the first rail project in Victoria to make innovative use of recycled glass sand; a product manufactured from inert glass recovered from the recycling process. Procured from a raw materials supplier, the product has been used as bedding fill for the project's combined service routes, as well as backfill for drainage piping.

The benefits of recycled glass sand are broad. Its use reduces the amount of waste sent to landfill and conserves existing sand deposits and the energy that would be used to extract it. Its cost in this case was roughly half the price of virgin material due to shorter transport distances, and it is safer to handle as it presents a lower respiratory hazard than traditional sand.

Using recycled glass sand on the project was initiated by a requirement for recycled content on the design drawings for the combined services route, illustrating the need for early planning. Following a risk assessment, additional testing and supplier consultation, Metro Trains Melbourne approved the use of recycled glass sand on rail projects.

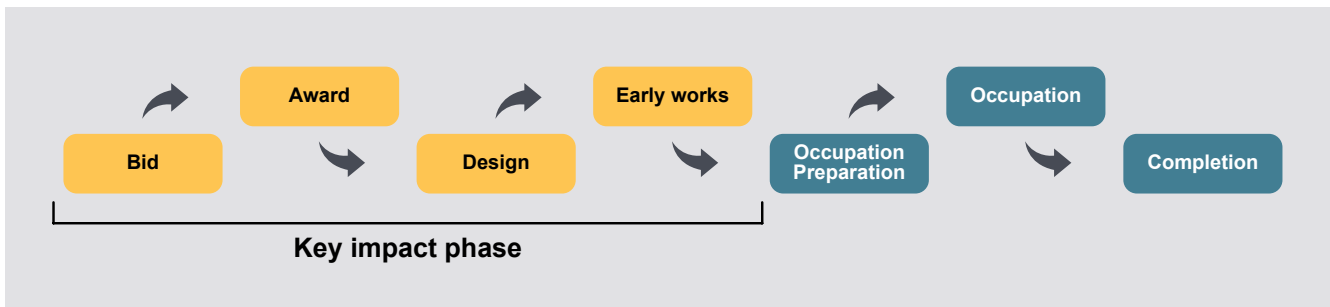
The Kororoit Creek Road site used 904 tonnes of recycled glass sand, with another 410 at the Wyndham Vale Stabling Yard. This versatile, environmentally friendly and cost-effective material has since gone on to be used on several other level crossing removal projects.

An industry first – recycled plastic railway sleepers

The Wyndham Vale Stabling Yard project delivered another first by introducing recycled plastic railway sleepers for sustainable social procurement. The new product was later installed at the Richmond station rail works and is undergoing further testing.



SOCIAL PROCUREMENT OPPORTUNITIES OVER A PROJECT LIFECYCLE



Planning early can maximise opportunities for social procurement on your project.

Many of the strategies suggested by industry highlight the importance of early planning. They depend on:

- early identification of the goods, services and skills needed at each project stage
- engaging key staff
- finding relevant suppliers and meeting them in advance.

By planning early, buyers have been able to consult others in the industry, set policies, implement process changes and connect with subcontractors. In turn, social benefit suppliers can prepare for and be awarded big-ticket items, workplaces can recruit the best staff, and sustainability options can be explored.



“We see social procurement as being part of the fabric of the way we want to work. We want to ensure that what we’re doing is creating a legacy for the longer term as the population continues to grow and the infrastructure requirement for our nation increases.”

Kyle Mortimer, Alliance General Manager, Western Program Alliance, Level Crossing Removal Project



Industry examples of social procurement in practice

These examples illustrate the types of procurement that industry has undertaken to add value to their work and comply with Victoria's Social Procurement Framework.

- Purchasing concrete from a business owned by an Aboriginal person
- Renting shipping containers from a social enterprise
- Starting a joint venture with an Aboriginal owned labour-hire company
- Awarding a contract to a cleaning business who is a social enterprise
- Employing people who arrived as refugees
- Installing lights from an energy company listed on Kinaway's directory
- Training a staff member who has disability
- Collaborating with TAFEs and Registered Training Organisations
- Recruiting a long-term unemployed person
- Having marketing material designed by a business listed on Supply Nation's directory
- Manufacturing custom ligatures with a social enterprise
- Using the Social Traders directory to find a business to install your IT
- Partnering with a job service provider (Jobs Victoria / Commonwealth employment programs)

Social procurement is NOT organising a charity donation drive or putting donation tins in tea rooms.

Examples of industry strategies in practice

These examples demonstrate some practical actions taken by businesses to make it easier for social enterprises and Aboriginal businesses to get into their supply chains.

- Introduce shorter payment terms
- Unbundle a package to allow opportunities for different Aboriginal businesses
- Offer subcontractors an incentive to spend a percentage of costs on social procurement
- Set up a meeting between a subcontractor and a social enterprise selling what they buy
- Review your procurement process and forms
- Put a local job service provider in touch with a labour hire company
- Encourage a partnership between a haulage company and a waste management social enterprise
- Invite an Aboriginal businesses and/or social enterprises to a tender panel
- Support subcontractors to employ or train people from target groups
- Bundle a landscaping package to contract a social enterprise seed supplier
- Help an Aboriginal business or social enterprise write a strong capability statement
- Introduce a large supplier to an Aboriginal business for a potential joint venture.

EVERYONE CAN PLAY A ROLE, AND EVERYONE WINS

Social procurement presents a way of working so that everyone wins: government, industry and the community.

Whether you are a buyer or subcontractor, working in the office or on site, you can play a role in social procurement.

Victoria's transport and infrastructure industry has set requirements for buying from social benefit suppliers and increasing sustainability and workforce diversity, and the sector is offering more and more opportunities.

With the government committing to an unprecedented amount of infrastructure works and creating over 12,000 jobs, now is the time

to welcome new businesses to your supply chain and bring on skilled new staff.

Social procurement works just like any other procurement, but with impact beyond your initial spend. This is because the goods or services are purchased from businesses who create commercial and social or environmental benefit, or because it creates jobs for those who need it most.

Through social procurement you can secure quality goods and services and help your client meet social procurement requirements. You can be innovative, competitive, give people life-changing support and improve the environment. All while going about business as usual.

There are people whose job it is to help you make social procurement business as usual. They work at Social Traders, Supply Nation and Kinaway and may also be found in your company or with your industry or government client.

What's next on your list of purchases?

What skill gaps do you need to fill?

Let's be competitive, secure supply chains, get jobs done and change the lives of all Victorians.

What will your legacy be?

Acknowledgements

This resource has been developed with the support of Victoria's transport and infrastructure industry. We thank the below projects and businesses for contributing case studies, examples and suggestions to Social Procurement in Practice.



We also thank our Training for the Future program partners: Level Crossing Removal Project, Metro Trains Melbourne, Public Transport Victoria, Rail Academy Newport, Rail Projects Victoria, V/Line, VicTrack and Yarra Trams.

Training for the Future is a Victorian Department of Transport initiative led by the Major Transport Infrastructure Authority. It is a rail industry skills program preparing industry to deliver an unprecedented amount of work on Victoria's rail network. It will result in a new generation of rail

talent, provide opportunities to re-skill people from industries in decline and train people from disadvantaged communities. The key elements of Training for the Future include industry capability, skills development and diversity and social inclusion opportunities.

