

## **Buy Social Award**

# **City of Gold Coast**

*A Council that is tendering social benefit.*

### **What is the 'buy social' policy?**

The City of Gold Coast has embraced social procurement as a strategy for contributing to reducing unemployment and increasing economic activity. As well as meeting its customers' requirements for goods and services at the best value, the Council's social procurement strategy is devoted to using its considerable procurement spend to directly achieve social outcomes for the Gold Coast community.

Initiated in February 2013, the focus of the social procurement policy is to engage suppliers that provide a direct benefit to the disadvantaged communities of the Gold Coast, and this includes directly offering tender opportunities to social enterprises and social benefit suppliers working with communities, that include young people, seniors, people with disabilities, the long-term unemployed and multicultural groups.

Beyond providing procurement opportunities directly to social enterprises, they have adopted a 'Buy Local' policy which requires contracting opportunities under \$200,000 to be offered to local businesses, as well as providing an added weighting to local businesses within its tender evaluation process for contracts over \$200,000. This 'buy local' initiative channels \$250 million per year to Gold Coast businesses, directly contributing to the growth of the local community.

### **What are they buying?**

The Council procures approximately \$700-\$800 million worth of goods and services every year. The 'Buy Local' policy applies to all of these contracts, allocating assessment weight to local suppliers.

As a result of the social procurement policy, Council initially identified two categories of procurement spend suitable for the scheme: cleaning services for Council buildings; and recycling services at waste transfer stations. A tender for \$2.8 million over two years was issued for the cleaning contract and the recycling tender was for contracts to the value of \$3.2 million over three years at two of its waste and recycling centres. Both contracts could only be fulfilled by social benefits providers in the community.

### **What were the outcomes?**

On an individual level, the Council's social procurement initiative has provided 76 jobs to disadvantaged members of the Gold Coast community through the award of socially geared contracts.

On a macro level the policies have encouraged local businesses to incorporate social objectives into their daily business operations; in turn promoting employment opportunities and inclusive and accessible work environments for disadvantaged members of the Gold Coast community. Council have also helped build the skills of the Gold Coast's not-for-profit community groups, enabling them to better access to funding and successfully compete for business.

For Council, the cleaning contract saved \$168,000 (6%) over the two-year term against the baseline costs when compared to traditional contracts.

Under the 'Buy Local' policy between January and December 2013 the proportion of Council's procurement budget spent on local supplies increased from 52% to 67%, providing the local economy with \$100 million.

### **Looking Ahead**

Now that the frameworks are in place, the Council's vision is to create an additional 100 jobs for disadvantaged Gold Coasters over the next 12 months. The Council is now planning its next round of tender opportunities for social benefit provider procurement in the areas of: recycling services at other waste and recycling centres, e-waste recycling, graffiti removal services, management of community centres, and electrical tag and testing.

The initiative has also received excellent external publicity and accolades. Amongst its awards the Council won the 2013 Chartered Institute of Procurement and Supply Procurement Professional Award for Best Example of Socially Responsible Procurement in Australasia, making it an excellent model for other local councils in Australia on how successful socially minded procurement policies can be.