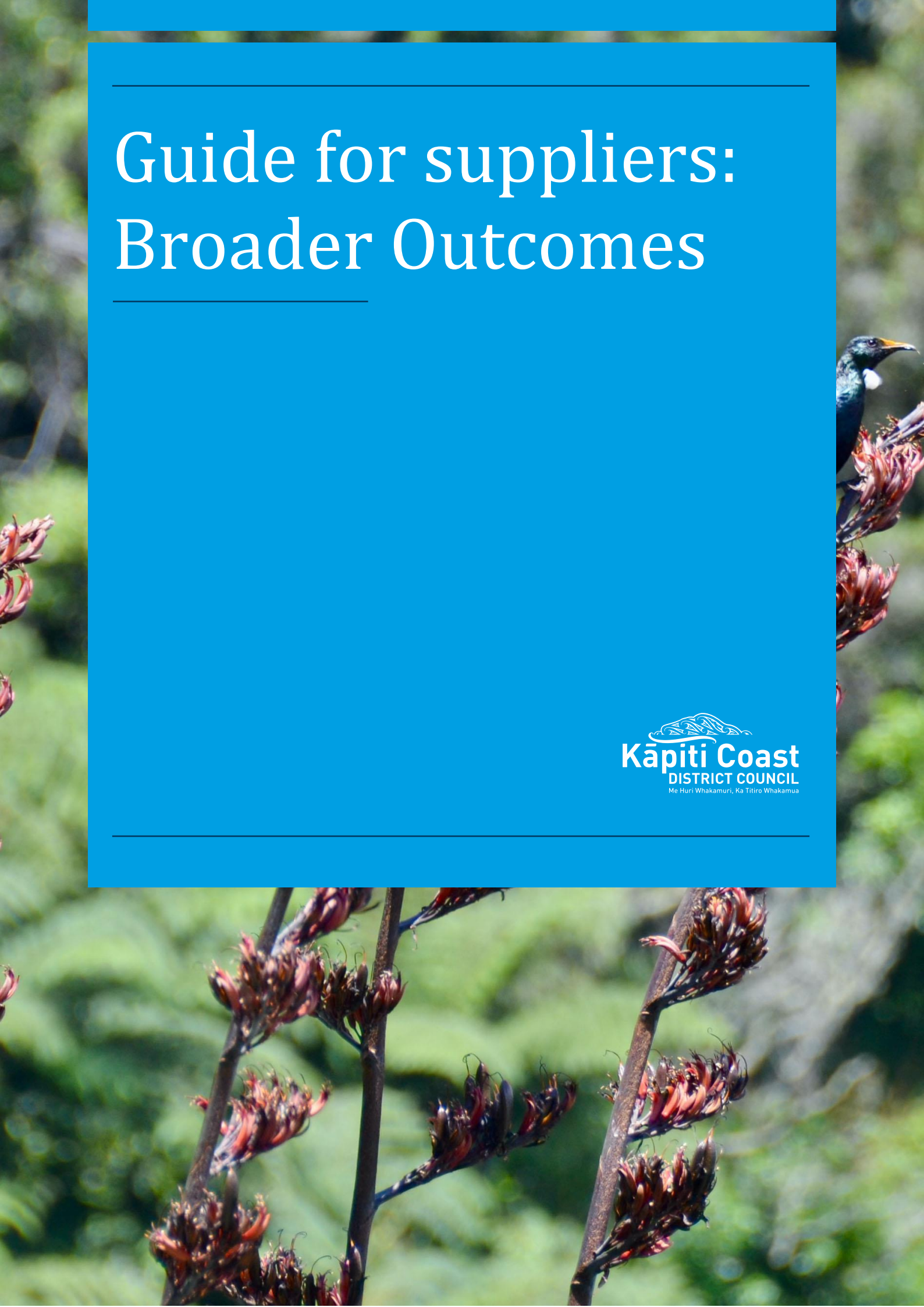

Guide for suppliers: Broader Outcomes



Kāpiti Coast
DISTRICT COUNCIL
Me Huri Whakamuri, Ka Titiro Whakamua



What are broader outcomes?

In the context of procurement, broader outcomes are the secondary benefits that are generated from the procurement activity. They can be social, economic, cultural benefits or environmental benefits.

An example of broader outcomes

A procurement process and resulting contract for civil works that results in local unemployed people entering the workforce with job training and new skills. This would directly improve both the economic and social wellbeing of our communities.

Other examples of broader outcomes that could be achieved are shown in Appendix B.

“Government procurement can and should be used to support wider social, economic, cultural and environmental outcomes that go beyond the immediate purchase of goods and services”.

Government Rules of Procurement 4th Edition, Broader Outcomes.

Priority focus areas

Kāpiti Coast District Council focus areas

Our intent is to improve social, economic, cultural, and environmental well-being in any way we can. That said, we have three priority focus areas, which are:

- 1 Stimulating local employment (including the development of skills and employment pathways).
- 2 Reducing carbon emissions, mitigating the effects of climate change, and reducing waste disposed of to landfill.
- 3 Improving supplier diversity¹

Why is local employment so important?

Money spent locally circulates in the region longer, delivering more socio-economic value beyond the purchase itself. This also helps to address intergenerational poverty and unemployment and will help people move from low-paid to better paid, skilled work.

Why focus on the environment?

We must protect our natural environment for generations to come. Council declared a climate-change emergency in June 2019. We're pursuing ambitious targets, including net zero carbon emissions by 2025, and 30% reduction of waste to landfill by 2026.

What's so great about supplier diversity?

Increasing council spend with a diverse range of supplier types will create exponential socio-economic value and aid local and regional recovery. For example, evidence from Australia has shown that every dollar spent with an indigenous supplier can create \$4.41 of economic and social value. This will help us to identify and achieve Mana Whenua wellbeing goals which will contribute to the wellbeing of the whole community.

¹ Supplier diversity is achieved by creating opportunities and removing barriers for Māori and Pasifika enterprises, social enterprises, local and regional businesses and/or small to medium enterprises – with the ultimate aim that these types of suppliers will be awarded a greater percentage of our contracts. Targets for supplier diversity may be introduced in the future. See Appendix A for a definition of diversity suppliers

How do we do it?

We'll be doing a range of things to achieve broader outcomes. For example, we'll be improving our organisational capability to achieve broader outcomes, identifying longer term changes in the way we buy certain things and using our procurement process to achieve broader outcomes.

Bundling

We know that the way we “bundle together” the work/requirements and undertake the procurement process sometimes might influence the type of suppliers that respond.

There may be elements of the work/requirements within the category or large project that could be treated as a stand-alone contract and sourced directly from a diversity supplier or a supplier that's well positioned to assist us with our priority focus areas.

Supply-chains

Opportunities to achieve broader outcomes may exist with the party to the contract (i.e. the main contractor/supplier), and also their wider supply-chain (i.e. sub-contractors).

Direct sourcing

Dealing directly with one supplier can be a simple way of achieving broader outcomes. This is encouraged **IF**:

- The total value of the procurement is under the thresholds that trigger our policy requirements for open competition, **AND**
- The supplier is either a “diversity supplier”, or is well positioned to improve social, cultural, economic or environmental wellbeing, **AND**
- The supplier has the capabilities and capacity we need, will deliver what we need (to an appropriate standard), and will provide good value for money.

Incorporating broader outcomes into a procurement process

How much weighting should be broader outcomes have on the selection decision?

This will vary from procurement to procurement – but as a guide, the weighting for the broader outcomes' criterion is likely to be somewhere between 10% and 25%.

Approaching the market and selecting the supplier

When the invitation is prepared (the RFP/RFQ/RFT/ROI), content about broader outcomes will feature in the specification of requirements, the evaluation criteria, and the weightings for the evaluation criteria.

TIP:

- When you prepare your proposal, quote or tender, be as specific as you can about the actions you will take and the results that will be delivered

Awarding and managing the contract

Our contracts are likely to contain provisions that ensure that priorities are delivered and that we achieve the broader outcomes we intend to.

Appendix A — Diversity Suppliers

Diversity suppliers are Māori and/or Pasifika enterprises, social enterprises, local and/or regional suppliers, and small to medium enterprises.

Māori and/or Pasifika enterprise

Amotai defines Māori or/and Pasifika enterprises as:

- Partnerships: at least 50% of each class of partnership interest is owned by Māori and/or Pasifika person(s) and such ownership must be reflected in the partnership agreement; or
- Corporations/companies: Māori and/or Pasifika person(s) own at least 50% of each class of ordinary voting shares issued and at least 50% of each class of all other shares issued; or
- Trusts: at least 50% of the owner(s) of securities or assets held in trust are Māori and/or Pasifika person(s); or
- Sole proprietorship/trader: 100% ownership by a Māori and/or Pasifika person.

Māori are defined as people with Māori whakapapa and who identify as Māori.

Pasifika peoples are people with whakapapa to, and identify as descendants of the Indigenous Pacific ethnic groups of Samoa, Cook Islands, Tonga, Niue, Fiji, Tokelau, Tuvalu, Kiribati, Papua New Guinea, Vanuatu, Solomon Islands, and the small island states of Micronesia.

Social enterprise

A social enterprise is an organisation where:

- The social, cultural, and/or environmental mission provides a public or community benefit and is the primary purpose of the organisation; and
- The majority of income is from trading a product and/or services; and
- The majority of either expenditure or profit is spent on the fulfilment of the primary purpose of the organisation.

Local and/or regional business

A business is local if it is based on the Kāpiti Coast, and/or has a registered office on the Kāpiti Coast. A business is regional if it is based in the Wellington region and/or has a registered office in the Wellington Region.

SME

Small to medium enterprises are business with less than 20 employees.

Appendix B — Examples of broader outcomes

Social wellbeing

- Opportunities for people from vulnerable groups, including disabled people, to participate in their community, the economy and society.
- Supporting the viability and work of social enterprises.
- Supporting fair and ethical trade and good working conditions, including the promotion of health and well-being of workers, including physical and mental health.
- Initiatives that address or mitigate social issues such as crime, poverty and sub-standard housing.

Cultural wellbeing

- Opportunities for Māori and Pasifika businesses to win work.
- Respect of cultural values, perspectives and customs and the effective engagement of Māori in the design and delivery of goods, services and works.
- Recognition and protection of Māori rights and interests.
- Giving effect to Te Tiriti o Waitangi.

Environmental wellbeing

- Opportunities to reduce carbon emissions and/or mitigate the effects of climate change.
- Initiatives or activities that improve the state of the natural environment in terms of air, land, water, habitats and biodiversity.
- Reduction in the use of natural resources (where supply is limited).
- Reduction in waste and the use of hazardous materials and substances.

Economic wellbeing

- Employment of local people.
- Support for unemployed and/or young people such as skills development and training (or re-training), work experience, career/job-seeker advice, school visits etc.
- Opportunities for entrepreneurship and innovation.
- Opportunities for small and medium businesses to win work and grow.
- Donation of time or money for local or community initiatives.

Appendix C — A selection of organisations that support and promote broader outcomes being achieved

Ākina

Ākina is a social enterprise, offering a range of tailored consulting and business development services. Ākina’s social procurement experts facilitate connections between buyers and certified social enterprise suppliers. Ākina can provide access to a database of social enterprises.

Link to website: [Ākina | make change for the better \(akina.org.nz\)](https://www.akina.org.nz)

Amotai

Formerly known as He Waka Eke Noa, Amotai is part of the Southern Initiative Team of Auckland Council. Amotai verifies and keeps a national database of Māori and Pasifika businesses that are ready for work. Amotai also provides practical advice and support to buyers so that they can successfully engage with Māori and Pasifika businesses.

Link to website: [Amotai | Supplier diversity Aotearoa](https://www.amotai.org.nz)

Building Research Association of New Zealand

BRANZ is an independent research organisation that uses an impartial evidence-based approach to improving the performance of the New Zealand building system. BRANZ transforms insightful research into trusted, accessible and actionable knowledge.

Link to website: [Building systems that delivers better outcomes for all | BRANZ](https://www.branz.org.nz)

Ministry of Social Development:

MSD provides employment, income support and superannuation services, funding to community service providers, social policy and advice to government, student allowances and loans, and social housing assistance.

Link to website: [MSD - Ministry of Social Development](https://www.msd.govt.nz)

Ministry of Business Innovation and Employment:

MBIE is the Government’s lead business-facing agency and includes the New Zealand Government Procurement and Property organisation which helps government agencies deliver better public services for better value.

Link to website: [Home | Ministry of Business, Innovation & Employment \(mbie.govt.nz\)](https://www.mbie.govt.nz)

Te Puni Kōkiri:

TPK is the Government’s principal policy advisor on Māori wellbeing and development, with a focus on Māori economic resilience, Te Ao Māori, and equitable and effective public sector performance for Māori.

Link to website: [Te Puni Kōkiri — Kāinga \(tpk.govt.nz\)](https://www.tpk.govt.nz)