

Toolkit for social enterprise

Social Procurement Readiness

CHECKLIST

Be ready to secure larger contracts, enter a procurement process and grow!

Use this tool to:

1. Understand what procurement, and social procurement, is.
2. Understand your business requirements to prepare for procurement.
3. Understand how your impact fits into social procurement and measure it.
4. Understand what documentation you may need to prepare.

How to use this tool

This tool is a checklist designed for you to work through and identify which areas of your organisation you may need to work on, in order to be prepared for a procurement, tender or large contract process.

You can work through the checklist in any order you like.

Definitions used in this tool

Supplier	A social enterprise that supplies products or services to buying organisations.
Buyer	A buying organisation (public or private) that purchases products and services.
Impact	The positive social, cultural and/or environmental change delivered by a social enterprise supplier when a buyer purchases a product or service from them (Social Procurement).
Procurement	The process (and often a function in an organisation) for purchasing and delivering products, services and physical works. Business-to-business (or B2B) procurement refers to trade between businesses and organisations, and generally involves higher value transactions.
Social procurement	The intentional purchase of products and services that results in a positive impact being created through the purchase. Also called sustainable or smart procurement.
Trading	The organised exchange of products and services for monetary, non-monetary and alternative currency. Trading is what enables social enterprises to deliver impact and social procurement offers an opportunity to scale and grow impact even further.
Broader outcomes (NZ Government)	The secondary benefits that are generated by the way a good, service or works is produced and delivered. These outcomes can be social, environmental, cultural or economic benefits, and will deliver long term public value for New Zealand. (https://www.procurement.govt.nz/broader-outcomes/). This is the term that the NZ Government uses to describe the impact of social procurement.

Checklist

Business for social procurement

Category	Check	Things to consider
<input type="checkbox"/> Trading	You trade and trading is the primary source of your revenue.	This is an important factor for financial viability and longevity of your business. It also enables your organisation to scale and grow over time if this is your aspiration.
<input type="checkbox"/> Experience	You have a track record in providing your product or service to other businesses.	This demonstrates you have customers and a market for your product or service, as well as the experience and capability to deliver B2B contracts.
<input type="checkbox"/> Team	You have robust governance and a skilled team around you.	This could take many forms, such as a board of advisors and a diverse team with the skills and business acumen necessary to win and deliver contracts.
<input type="checkbox"/> Insurance	You have appropriate insurance policies in place.	Insurance, such as public liability and professional indemnity insurance, is an important risk consideration for buyers and can even be a requirement that needs to be fulfilled before entering into a procurement process.
<input type="checkbox"/> Contract Capability	You have a good understanding of the minimum and maximum contract sizes you are able and willing to take on and deliver successfully.	Your previous experience and the contract sizes that you have successfully delivered in the past is a good guide. Inability to deliver to the required standards because you were over-ambitious can limit your future contract prospects
<input type="checkbox"/> Accreditation, memberships and licences	You hold the accreditations, certifications, licences and memberships reasonably required (or expected) for the industry you operate in and for your product/service.	For example, if you are a catering company, you must comply with food safety legislation.

Impact for social procurement

Category	Check	Things to consider
<input type="checkbox"/> Purpose	You have a clear organisational purpose.	Your organisation's primary purpose is a social, cultural and/or environmental mission that provides a public or community benefit.
<input type="checkbox"/> Mission lock	Your mission is embedded in your organisation, either through the legal form you use, your charitable status, your legal documents or another means.	This provides confidence that your purpose won't change over time and that impact is the primary purpose.
<input type="checkbox"/> Reinvestment	You should be able to demonstrate that the expenditure or profit/surplus from your organisation is aligned with your stated purpose (i.e. the flow of money supports your impact story).	The majority of either spend or profit should be spent in the fulfilment of your purpose if you are a social enterprise. Another way to look at this is showing that a public/community benefit is central to your work rather than private gain.
<input type="checkbox"/> Method of impact delivery	You are clear about how you deliver impact, either through your work and/or using your profit/surplus for impact.	<p>Embedded Impact: Your impact is delivered through day-to-day operations and your purpose is embedded into the ongoing delivery of your products or services and the way these are delivered.</p> <p>Surplus: You generate a profit/surplus through the delivery of products and services and this surplus is used to deliver impact. The purpose of the organisation is reflected in the way the surplus is distributed.</p>
<input type="checkbox"/> Impact model	You can articulate the way impact is delivered in your organisation and support this with evidence that impact is being achieved.	It is important to have an impact model that articulates your activities and how these logically link to the outcomes and impact you seek. An impact model adds credibility to what you do.

<input type="checkbox"/>	Impact Reporting	You report on your impact publicly, either via your website or through publishing regular impact reports.	This demonstrates commitment to your purpose, and provides transparency of your impact to others, particularly buyers. With social procurement, there is an expectation that you will be able to report the impact that is generated through the transaction(s) with the buyer.
<input type="checkbox"/>	Sustainable Development Goals and Living Standards Framework	You can connect your impact to broader outcomes, a particular SDG or the Living Standards Framework.	It is important to be able to speak the language a particular buyer will understand when talking about your impact. For example, it is useful to know your most important UN Sustainable Development Goals and be prepared to speak about your impact in the context of Broader Outcomes and the Living Standards Framework (NZ). This will prepare you for conversations with corporate and government buyers and help them understand what you do.

Information and documents to prepare for social procurement

It is a good idea to prepare a range of information to ensure you are ready for procurement processes.

- Product or service descriptions and pricing
- A description of your organisation and its work (including key strengths)
- Referees, such as current and previous customers
- Membership certificates, licences and accreditations (including evidence)
- Insurance information (certificates and policy evidence)
- Contract capability and track record
- Team capability and experience (and CVs of key staff)
- Case studies (including your stories of impact)
- Impact measurements and evidence of outcomes

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