

Case Study



Southern Sydney Regional Organisation of Councils Joint tender achieving environmental and social benefits

Overview

The Southern Sydney Regional Organisation of Councils (SSROC) is an association of 11 Sydney councils covering a third of the Greater Sydney's population and collecting 20% of NSW household waste and recycling. Councils get frequent requests to collect old mattresses, which are bulky, contain many recyclable materials and create dumping issues on streets and in apartments. SSROC worked with its member councils to aggregate demand for mattress recycling services through a large joint tender which has the dual benefits of high recovery rates and creating jobs. The contract was awarded to two suppliers, Soft Landing and Renewable EnergyCorp. Both suppliers achieve high rates of recycling and reuse for mattresses in Sydney and help divert thousands of tonnes from landfill.

Soft Landing, a key supplier and social enterprise in the panel contract for six SSROC councils, demonstrates how recycling contracts can contribute to jobs for disadvantaged people in addition to achieving environmental outcomes.

Approach

- Instead of councils contracting mattress recycling services separately, SSROC worked with councils on a panel contract for recycling mattresses.
- SSROC approached the market with sustainability criteria related to service delivery, resource recovery rates and social benefits.
- Soft Landing was awarded the joint contract for 6 councils (including Bayside, City of Sydney, Georges River, Inner West, Sutherland and Waverley) and Envirobeds was awarded the recycling mattress contract for 4 councils (Burwood, Canterbury Bankstown, Inner West and Randwick).

Outcomes

Soft Landing is a social enterprise with a commitment to providing employment opportunities for vulnerable groups. Their Smithfield processing warehouse in Western Sydney is the main site servicing SSROC councils, and currently staffed by 44 people, with 35 of these staff considered 'vulnerable'. The majority of staff are migrants, and some staff have experienced long-term unemployment, or have disabilities or other barriers to work. The SSROC joint tender has enabled Soft Landing to increase employment and training opportunities to the vulnerable groups they employ. Since the contract commenced in July 2018:

- Seven people have come through traineeship programs and into permanent roles with the company. One of these is now a supervisor and the elected Health and Safety Representative for the site.
- Five people obtained forklift licences and three people obtained MR Truck licences.
- Fifteen people have completed 'First-strike' fire training and three people have been trained as fire wardens.
- Twelve people have completed first-aid and CPR courses and two people have been trained as health and safety representatives.



Outcomes continued

The contract has also created high recovery rates for unwanted mattresses, since July 2018 to June 2021 almost 200,000 mattresses (199,926) have been collected with 4,049T tonnes of the recyclable components recovered and diverted from landfill.

This includes:

- 2519T of steel recycled into new materials containing recovered product, including roof sheeting and steel mesh, bars and tubes.
- 918T of foam (polyurethane) and memory foam (viscoelastic polyurethane), and latex (natural and synthetic) are recycled and reprocessed into new carpet underlay.
- 612T of timber, which is cleaned and shredded for mulch, animal bedding or as a daily cover at a nearby waste facility.

Soft Landing diverts materials through manual separation and recycling, and reuse of mattresses is supported when it is possible (e.g. when there is suitable factory-seconds stock that can be used for charitable donations).

Over the course of the contract, Soft Landing has also worked with numerous local industry partners on research and development projects to find end uses for the more difficult to recycle mattress components such as the textiles interwoven into foam (often referred to as the pillowtop) being used by Dunlop for carpet underlay.

Insights

1. Joint procurement can create efficiencies for councils and suppliers by aggregating demand, reducing logistical costs through scale and transport efficiency, and streamlining tendering and reporting processes.

2. Waste collection and recycling contracts have the potential to create significant social benefits through job creation and training for vulnerable groups. Councils can attract social enterprises by including higher weightings as part of the evaluation criteria for tenders and in the KPI framework.

Further reading

<https://www.youtube.com/watch?v=WKBckSBbRAM>

Photos by Tomasz Machni



Akhil Ahmad, Soft Landing, with separated steel spring sets from mattresses ready for recycling.



Lee bin Abdul Rahman at Soft Landing removing a mattress pillowtop layer which is recycled into carpet underlay by Dunlop.

Case Study



British Land, UK

Reserved contract for the collection of second-hand clothes and textile waste management

Overview

The municipality of Madrid wanted to promote a sustainable and integrated approach towards textiles waste collection and management. Their focus was to increase employment opportunities for disadvantaged job seekers and people at risk of social exclusion.

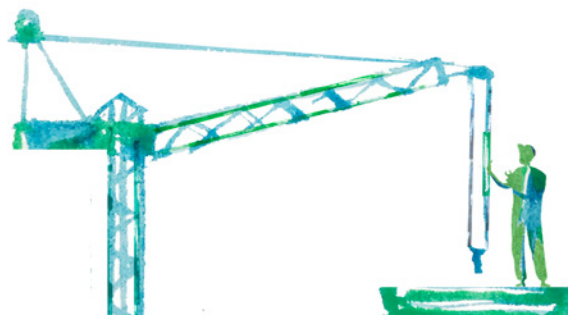
The target groups eligible are diverse, ranging from long-term unemployed persons, migrants, ethnic minorities, single mothers at risk of poverty or victims of violence against women.

The municipality acknowledged the role of work integration social enterprises (WISEs) as levers for employment among those groups. They launched a process for the award of a concession contract for the collection of second-hand clothes and textile waste management. The major contract was divided into a smaller contract specifically reserved for WISEs to compete for the service to place 1,150 containers throughout the city of Madrid.



Approach

- The brief starts by relating the document back to the organisational purpose and connecting the sustainability vision and goals to the design and constructions team.
- In a call to action the brief states how each project team plays a role in contributing to the achievement of the 2030 Sustainability Strategy.
- Other strategic levers such as the Supplier Code of Conduct and Sustainable Fit Out Guide are described, showing how they are interrelated and work together to align stakeholders to the common sustainability objectives.
- The brief has three categories: Social, Environment, and Foundational. There are 3-5 aims under each category, procurement and leasing are a specific aim under the Foundational category.
- Key performance indicators, requirements and targets are provided for each of the aims including but not limited to carbon, biodiversity, circular economy, certifications, wellbeing, employment, community and ensuring procurement and procedures are aligned with the requirements of ISO 20400:2017
- Procurement and contract requirements are communicated in detail, providing a clear step-by-step guide for staff as well as suppliers.
- A procurement checklist is provided for the design, construction, operation, and management stages.
- Roles and responsibilities are stated to provide clarity on who is responsible for implementation of the requirements and at what stage in the project lifecycle.



Outcomes

The sustainability brief bridges the gap between high-level organisational goals and what these mean in practical terms for the project teams who are responsible for their implementation. It provides clear sustainability objectives for all employees, suppliers and contractors, enabling key stakeholders to align to the same sustainability goals.

The clear roles and responsibilities and their associated requirements ensure that procurement is aligned with the requirements of ISO 20400:2017. The brief maps each stage of the procurement process and requires that sustainability is embedded within the project brief from the very start.

Life cycle costing is mandated at appropriate stages to improve and inform the options for design, maintenance, and operation. Ongoing management, monitoring and reporting of sustainability objectives are specified for the operation of assets such as energy metering, regular auditing and sustainable leasing agreements.

Insights

1. Sustainability must be business as usual:

For British Land, this means embedding sustainability requirements into every step of the way of a development and construction project.

2. Setting sustainability objectives at the beginning:

The project manager and the sustainability manager must define the targets and requirements for each British Land development at the beginning and include these in the project brief.

3. Ongoing training: Regular training on the sustainability issues is provided to British Land staff and external consultants to support the successful implementation of the brief and its sustainability goals.

4. Key performance indicators: Performance indicators and targets are listed not only for project teams but also for inclusion in supplier contracts where appropriate to facilitate measurement and reporting.

5. Engaging with suppliers: British Land know that they needed to engage with their suppliers in order for them to successfully meet their standards. They do this through regular meetings and knowledge-sharing workshops with suppliers and reviewing supply chain sustainability risks.

6. A whole of life approach: British Land's original sustainability brief from 15 years ago did not incorporate design, construction, and operation in the scope. This time around, they focused on requirements in each stage of the property lifecycle to embed and accelerate the sustainability progress.

Further reading

British Land sustainability brief: <https://www.britishland.com/sites/british-land-corp/files/sustainability/Policies/BL-Sustainability-Brief-Nov-2020.pdf>

British Land Policies: <https://www.britishland.com/about-us/corporate-governance/policies>

British Land Sustainability Policy <https://www.britishland.com/sites/british-land-corp/files/sustainability/Policies/BL-Sustainability-Policy-2020.pdf>

British Land Supplier Code of Conduct: <https://www.britishland.com/sites/british-land-corp/files/about-us/corporate-governance/policies/bl-supplier-code-of-conduct-jan-2021.pdf>



Case Study

Municipality of Madrid, Spain Using Procurement to Create Social and Environmental Benefits

Overview

The municipality of Madrid wanted to promote a sustainable and integrated approach towards textiles waste collection and management. Their goal was to increase employment opportunities for disadvantaged job seekers and people at risk of social exclusion. The target groups were diverse, ranging from long-term unemployed people, migrants, ethnic minorities, single mothers at risk of poverty, or victims of domestic violence.

The municipality acknowledged the role of work integration social enterprises (WISEs) as levers for employment among the target groups. They ran a procurement process to award the contract for collecting second-hand clothes and managing textiles waste at different locations throughout Madrid. A section of the locations, valued at almost AUD \$400,000, were reserved for WISEs.



Approach

- Before the tender was published, they had a pre-procurement process, which offered the WISEs a chance to work together with the contracting authority to understand the scope and contract. This also helped the contracting authority to tailor the process to the target audiences (WISEs, disadvantaged job seekers, and persons at risk of social exclusion).
- WISEs had to prove they were registered as such and validate their status to apply.
- The contract had clear environmental objectives and WISEs had to guarantee that they would reuse the largest possible share of textiles and fabric that were collected.
- The contract had clear social policy objectives, including complying with work and social regulations and providing employment opportunities to disadvantaged job seekers and people at risk of social exclusion.
- People employed through the contract had to hold a certificate which confirmed their employment disadvantage.
- People employed through the contract had to have a professional development plan tailored to them and help them gain basic qualifications and training.
- Emphasis was placed on on-the-job coaching to assist employees in attaining skills and improve their employability.



Outcomes

The winning tenderer was a consortium formed by two WISEs, Recumadrid and Solidanza, both with a common background in the professional integration of disadvantaged people. The organisations collaborated to meet the contract requirements and created ten new full-time jobs for people with low employability.

As a result of being employed, beneficiaries from the program are no longer recipients of unemployment or social welfare funds and contributed as taxpayers to the community. Beneficiaries also benefitted from the accompanying services to ensure work and social inclusion, such as training, health care, and housing support.

Insights

1. Pre-procurement market engagement process:

This is key to understanding the capacity of the suppliers, providing them time to prepare for the tender, and to adapt the process to improve their ability to access it through a partnership.

2. Social and environmental benefits: The project demonstrates both social and environmental benefits including jobs and training created for disadvantaged people, the reuse of textiles and increasing the profile of second-hand clothes shops. It demonstrates that public procurement can provide opportunities for social enterprises with sufficient planning, two-way dialogue and engagement and tailored contracts.

Further reading

A similar case study from the Royal Netherlands Ministry of Defence and the procurement of textiles with recycled content: <http://www.rebus.eu.com/wp-content/uploads/2017/03/REBus->

Case-Study-Ministry-of-Defence-.pdf
Municipality of Madrid, Spain case study:
<https://ec.europa.eu/docsroom/documents/42751/attachments/4/translations/en/renditions/native>



Case Study



City of Croydon, UK Best practice supplier engagement

Overview

The City of Croydon council in the UK goes beyond legislative requirements and considers social value across all of their spend categories. Their Social Value Policy describes their commitment to being leaders in the field of social value and documents their progress over eight years in generating social outcomes. Council uses its purchasing power and contractual relationships effectively to maximise the social, economic and environmental benefits from all of its commercial activity. Key to their success is the council's focus on engaging the market, and working with external stakeholders including suppliers, micro, small and medium enterprise (MSMEs) and community organisations.

By prioritising supplier engagement, council has created a suite of resources including a dedicated website to set expectations and support suppliers and staff in understanding and implementing the social value objectives. The Social Value Policy has themes that communicate clear priorities, measurements, and outcomes for three categories: people, community, and place. The themes include local employment, supporting healthy lifestyles, and supporting a cleaner and greener environment.

Approach

- The Social Value Policy is communicated externally, and a range of targeted support sessions and engagement exercises for local MSME's and community organisations are continuously rolled out to introduce council contracts and social value objectives to the local market.

- A free local accreditation scheme co-designed with local businesses called the Good Employer Charter was established. The scheme allows businesses to gain recognition as good employers that ensure employees are paid a fair wage and promote equality and diversity.

- A supplier specific website called 'Value Croydon' is a single point of access for all the resources and information that help maximise social value delivery locally and to support the local market in competing for business opportunities with the council.
- A training guide supports potential local suppliers in responding to contracts and demonstrating their social value, embedding social considerations into the procurement process.
- Suppliers have clear social value commitments in their contracts, for example a requirement to pay a London Living Wage, a minimum of two annual apprenticeships, and a target of 90% of staff employed locally. Council then monitors the social value commitments quarterly, and suppliers report their performance in an annual summary report.
- Croydon Works was established; a partnership job brokerage service that works with employers to provide employability support and a free-to-use recruitment service for the residents and businesses operating in Croydon.
- Council staff who make purchasing decisions have an extensive toolkit that details the drivers, definitions and procurement steps (criteria and performance management) for achieving social benefits with examples of best practice.



Outcomes

Council's approach to social value shifted from prioritising outputs (such as the number of apprentices taken on) to prioritising outcomes instead (how many people found work as a result). As a result, they have integrated their social value priorities with broader spend categories and services that more local businesses can contribute to.

The communication of strategic priorities and provision of resources to suppliers, MSMEs and community organisations have opened up opportunities for these local businesses to participate. The provision of guidance on how to measure and demonstrate their contribution to social value objectives has improved their ability to compete for contracts as local organisations become familiar with the council procurement processes and expectations.

The Social Value Policy shares procurement success stories. An example is a cleaning supplier who increased the proportion of locally employed staff from 75% to 86% using the Croydon Works dedicated recruitment site. What incentivised them to do so was that the council had included in the evaluation scorecard, weighted scores for supplies that could demonstrate that they 'support local employment' and 'support local business'.

Insights

1. Demonstrating value for money: Wider adoption of procurement that prioritises social outcomes can be achieved when it is demonstrated that the approach saves money over awarding contracts based on the lowest value.

2. A flexible approach: The council highlighted skills and employment, wage inequality, and in-work poverty as issues that needed addressing. However, their approach remained flexible meaning that these issues could be prioritised and addressed over time. The Croydon Works initiative demonstrates an initiative embedded in the local community and will continue to support and upskill local employment over the long term.

3. Purchasing power: Many local government organisations have social plans and policies in place, but the difference in the City of Croydon's approach is that it directly leverages the power of procurement to achieve social value outcomes. Through staff education and supplier engagement, it is ensured that the application of council policy is achieved using procurement.

Further reading

Social Value Policy <https://democracy.croydon.gov.uk/documents/s15740/Appendix%20%20-%20Social%20Value%20Policy%202019-2023.pdf>

Council toolkit:

https://democracy.croydon.gov.uk/Data/Cabinet/20121112/Agenda/cab20121112_05_02_appendix_16a3d.pdf?cmte=CAB&meet=10&href=/akscroydon/images/att1331.pdf



Case Study



Municipality of Ballerup, Denmark Embedding sustainable procurement into contracts

Overview

The Municipality of Ballerup, Denmark, adopted a new procurement policy in 2019 which prioritises social responsibility. Under this policy, suppliers must declare that they comply with human rights, labour rights, environmental and anti-corruption requirements.

The municipality piloted the application of the policy on a contract for daily cleaning services at 157 different municipal buildings. The contract, valued at approximately AUD 40 million, included a key objective to create employment for two target groups including unemployed welfare recipients and people on long-term sick leave.

Approach

- A labour clause in the tender obliges the tenderer to meet overall labour market standards regarding wage and working conditions.
- A social responsibility clause includes a list of specific requirements to comply with fundamental human rights and labour rights in line with the UN Global Compact principles.
- A practical decision-making process guides the evaluation of tenderers.
- The tender evaluation scoring methodology included the weightings - 60% price, 20% quality assurance, and 20% social responsibility.
- Tenderers are required to describe their methodology for meeting the objectives of increased employment opportunities for the two target groups. For example, by detailing a training plan and its supporting activities. The tenderer's methodology is scored on a scale of 0–8 based on its estimated probability of successful impact. Each tender submission receives a social responsibility score.

- This score is subsequently converted to a corresponding price equivalent, by dividing the average price offered by tenderers with the attained social responsibility score.
- The contract is given to the tenderer with the lowest combined evaluation score (average price, social responsibility score and quality assurance score).

Outcomes

The procurement policy was instrumental in the setting of priorities and mandating the inclusion of social objectives in the tender for procurement staff. The social objectives were integrated throughout the tender process including in the evaluation and in the ongoing contract performance management.

The tendering process was well received by the market. The social objective of the tender was clear and communicated upfront, including how it would be scored by the tender panel. The winning tenderer, Coor Service Management, was able to provide previous experience as evidence and offered a detailed methodology on how they would achieve the employment targets and demonstrating that they understood and were aligned with the specific social requirements in the tender.

The pilot of including social objectives in the tender was deemed a success with the winning tenderer committing to establishing a complete training and recruitment course for candidates and included a minimum number of trainees as annual targets. The candidates train in groups of four, and each time a candidate attained employment, another one starts training.



Insights

1. The market is ready: Suppliers and the market are prepared to work towards social objectives, especially within specific industries which struggle to recruit a workforce.

2. Having a mandate: A strong procurement policy gives the procurement and project teams a mandate and clear objectives for including social considerations in the process.

3. Using social award criteria: Social objectives can be used as an object of competition when embedded into the award criteria in the tender evaluation. This process gives the market freedom to decide the extent and design of the social responsibility effort, as opposed to the contracting authority formulating specific requirements based on an informed guess.

4. Monitoring and performance management: If there is a suspicion that a supplier is not complying with its social responsibility obligations, the municipality conducts a follow-up and has the option to cancel the contract.

Further reading

Further case studies of achieving positive social outcomes in public contracts:

<https://op.europa.eu/en/publication-detail/-/publication/e8cf51d0-f632-11ea-991b-01aa75ed71a1>

A short video on social procurement at Ben and Jerrys: <https://www.iso20400.org/social-procurement-ben-and-jerrys/>

