

Procurement and Workforce Inclusion

People

Credit: 33

Points: 3

Outcome

The building’s construction facilitates workforce participation and economic development of disadvantaged and under-represented groups.

Criteria

Credit Achievement	2 points	<ul style="list-style-type: none"> • The project implements a social procurement plan. • At least 1% of the building’s total contract value has been directed to generate employment opportunities for disadvantaged and under-represented groups.
Exceptional Performance	1 points	<p>In conjunction with the <i>Credit Achievement</i>:</p> <ul style="list-style-type: none"> • The project implements a social procurement plan. • At least 2% of the building’s total contract value has been directed to generate employment opportunities for disadvantaged and under-represented groups.

Additional information

Stage implementation

Strategy	Brief	Concept	Design	Tender	Construction	Handover	Use
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Synergies with other credits

- Responsible Construction
- Inclusive Construction Practices
- Indigenous Inclusion

Sustainable Development Goals

- Goal 5 (Gender Equality)
- Goal 8 (Decent Work and Economic Growth)

Relevant reporting initiatives

- None

Requirements

Credit Achievement

The project must comply with **both** of the following criteria:

- Social Procurement Strategy
- Employment Opportunities

Social Procurement Strategy

The project team must develop and implement a social procurement strategy or plan (this can be part of an overall project procurement plan/strategy) that directs at least **1%** of the building's total contract value to generate employment opportunities for disadvantaged and under-represented groups.

The project team must also include targets and annual reporting requirements in the strategy.

The plan must include **all** the following:

- A description of the project's social procurement and workforce objectives, needs, and targets
- A demographic study of the local region to inform identification of target workforce groups and their skills
- Descriptions of the roles and responsibilities in the implementation and monitoring of social procurement and workforce targets and contracts
- Data collection and reporting templates / tools, including how data from head contractors will be collected
- Monitoring and reporting requirements
- Reporting requirements for the project director

Projects must report the following at the time of practical completion:

- Dollar spent and as a proportion of building contract value
- Supplier(s) engaged
- Where workforce targets are in place, the number of jobs created per target group expressed as Full Time Equivalent
- Jobs supported

Employment Opportunities

Generation of employment opportunities for disadvantaged and under-represented groups can be achieved **either**:

- Directly, through workforce targets
- Indirectly, through social procurement

A combination of these strategies can be used to achieve the credit, as long as the total dollar spend on the above activities is equal to or greater than the required **1%** value of the building's total contract value.

The building's design and construction can contribute to generating employment opportunities for disadvantaged and under-represented groups through the procurement of goods, services, and construction by any of the following means:

- Māori and/or Pasifika-owned Business
- Social enterprises
- Disability enterprises

Enterprise providers must be independently certified and verified by third party organisations such as Ākina and Amotai.

Exceptional Performance

In conjunction with the *Credit Achievement*, the project must comply with **both** of the following criteria:

- Social Procurement Strategy
- Employment Opportunities

Social Procurement Strategy

The project team must develop and implement a social procurement strategy or plan (this can be part of an overall project procurement plan/strategy) that directs at least **2%** of the building's total contract value to generate employment opportunities for disadvantaged and under-represented groups.

See *Credit Achievement* requirements for further information.

Employment Opportunities

Generation of employment opportunities for disadvantaged and under-represented groups can be achieved **either**:

- Directly, through workforce targets
- Indirectly, through social procurement

A combination of these strategies can be used to achieve the credit, as long as the total dollar spend on the above activities is equal to or greater than the required **2%** value of the building's total contract value.

See *Credit Achievement* requirements for further information.

Submission content

Submissions for this credit must contain:

- **Submission form**
- **Evidence** to support claims made in the submission

Recommended evidence:

- Social Procurement Plan
- Evidence of workforce targets in main contracts and sub-contracts
- Evidence of social procurement targets in main contracts and sub-contracts
- Evidence that enterprises are independently certified by third party organisation

Alternate documentation can also be used by project teams to demonstrate compliance.

The recommended evidence listed above is applicable to the as built submission. See the *Design assessment documentation* section in the Introduction for more information on submitting evidence for the Design assessment.

The key requirement is that evidence is provided to support each claim made within the Submission form.

Guidance

Disadvantaged and under-represented groups

This credit addresses groups such as, but not limited to:

- Māori and Pasifika people
- People who have experienced long-term or cyclical joblessness, particularly young people

- People that are not in education, employment or training (NEET)
- People with disabilities
- Refugees
- Women in male-dominated occupations and/or industries
- People re-entering the workforce from childcare commitments, ill-health, injury or a correctional sentence
- Older workers transitioning from other sectors in the workforce
- People who are underemployed or under-utilised

A person who is represented by many groups may contribute more than once.

Eligible construction procurement

Dollar spent relates to activities including: any construction, maintenance, rehabilitation, alteration, extension, or demolition of any improvements on land. It includes dollars spent on:

- Design and construction
- Tendering processes
- Project delivery
- Contract administration

Eligible Māori and/or Pasifika procurement

Eligible spend includes Māori and/or Pasifika employment, engagement of Māori and/or Pasifika -owned businesses, education and training, and engagement or consultation with Māori and/or Pasifika organisations or businesses.

Accreditation organisation(s)

The accreditation organisations (i.e., Ākina and Amotai for example) provide advisory services to help projects identify opportunities for suitable spend and can provide data demonstrating social impacts.

Workforce targets

When developing targets related to workforce, the project should consider the local conditions as well as the project size.

A demographic study will inform targets to be developed. Government sources such as Stats NZ can provide useful statistics and data to help develop project specific targets.

When developing workforce targets the following principles are recommended:

- Allow flexibility in the targets so that they can be adapted depending on the project phase and life cycle
- Ensure targets and requirements in the Workforce Inclusion Plan can be contractually enforceable
- Provide value to target group and project
- Ensure they are realistic, and thus while aspirational, can be achieved

Engagement with employer providers is recommended to better understand local supply and development needs. While the following list is not exhaustive, it can be used to guide the project:

- National Association for Women in Construction NZ
- Ngā Puna Pūkenga or similar workforce programmes

Working with the procurement team during the development of the Workforce Inclusion Plan is important, as integration into the overall Procurement Strategy/Plan for the project is the mechanism by which workforce targets can be implemented.

Incorporating targets into contracts

To ensure the successful implementation of the strategy, the project should incorporate social procurement and/ or workforce targets into key contracts. Contracts should state require data collection requirements, monitoring and reporting requirements, and a framework for incentivising the achievement of targets.

Social procurement

Social procurement is being driven at a council level by a number of governments. The [Auckland Council Group Sustainable Procurement Framework](#) is considered a guide that can be used by projects when developing and implementing their Social Procurement Strategy/ Plan.

Early engagement with procurement professionals and identified supply chain are important success factors.

Sustainable Procurement Partners

Sustainable Procurement Partners available in New Zealand include but are not limited to:

- **Amotai** who work to promote intentional supplier diversity within New Zealand by connecting buyers with Māori and Pasifika businesses.
- **Ākina** helps business, government, social and community enterprises to work together solving challenges such as poverty, inequality, environmental degradation and climate change.
- **Ngā Puna Pūkenga** is a joint initiative between Auckland Council and the Ministry of Social Development for identifying employment opportunities for people who find it difficult to join the workforce.
- **The Southern Initiative (TSI)** is an Auckland Council initiative to find solutions to some of south Auckland's most pressing social and economic challenges across the local board areas of Papakura, Manurewa, Ōtara-Papatoetoe, and Māngere-Ōtāhuhu.

Definitions

Māori and/or Pasifika-owned Business

“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 Polynesian ethnic groups of Samoa, Cook Islands, Tonga, Niue, Fiji, Rotuma, Tokelau, Tuvalu, Kiribati, Papua New Guinea, Vanuatu, Solomon Islands, Tahiti, Nauru, Hawaii and the small island states of Micronesia and Melanesia.

Māori and/or Pasifika-owned business are defined as enterprises where:

- Partnerships: at least 50% of each class of partnership interest is owned by a 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% owner(s) of securities or assets held in trust are Māori or Pasifika person(s); or
- Sole proprietorship/trader: 100% ownership by a Māori and/or Pasifika person.

Supplier Diversity

Supplier diversity is a strategic and intentional business process that proactively supports and enables businesses owned by minority groups and social enterprises to be engaged in supply chains and business opportunities. Supplier diversity initiatives ensure that indigenous and minority-owned businesses (Māori and/or Pasifika-owned businesses or social enterprises) have opportunities to share in a country or city's economic opportunities and prosperity.

Social Enterprises

Social enterprises are purpose-driven businesses that trade to deliver positive social, cultural, economic and environmental outcomes. Ākina defines that

- the majority of revenue comes from selling goods and service and,
- the organisation can link their activities to their intended positive impact, and provide evidence of reinvestment into their purpose.
- Social enterprises and other impact-led businesses can contribute to all of the sustainability objectives including employment, local business, zero waste and addressing climate change.

Quality Employment

“Quality employment” is defined as occupations and roles which:

- are foreseeably sustainable. In other words, offer as much resilience as possible to automation, globalisation, technical innovation and other factors affecting or changing the industry and labour market;
- offer genuine career progression and ongoing development, such as an apprenticeship or equivalent (e.g. micro-accreditations);
- provide workers with terms and conditions that enable employees to live a dignified life; and
- enable employees to feel their contribution has value, meaning and purpose.

Building construction workforce

The building construction workforce is defined as workers employed as part of the project and includes:

- Construction-related building maintenance and civil engineering
- Construction-related support activities, such as financial, advisory, architectural, and professional services may be included where it is considered appropriate to achieve the policy objective
- The construction workforce, including apprentices, trainees, and office support roles

Social procurement

Social procurement is the use of strategic procurement practice to generate social benefits beyond the products and services required. Social procurement occurs when organisations intentionally choose to purchase a social outcome when buying a good, service or delivering works.

Women in non-traditional roles

A non-traditional trade or profession for women is where female participation is less than 25%.

Supporting information

The following resources support this credit

- [Victorian Social Procurement Framework](#)
- [Social Procurement in NSW](#)
- [Insights into Social Procurement: From Policy to Practice](#)
- [Auckland Council Sustainable Procurement Objectives Strategy](#)
- [Auckland Council Group – Sustainable Outcomes Toolkit](#)
- [Broader Outcomes: https://www.procurement.govt.nz/broader-outcomes/](https://www.procurement.govt.nz/broader-outcomes/)