Sustainability Advocates Presentation
23rd November 2017
David Barker – Procurement Manager
Procurement 101
Procurement Activities 2015-2017

- 70 initiatives
- $10.4M

- 152 initiatives
- $28M

- 214 initiatives
- $39.4M
**Value vs Savings**

- **Contract value to you**
  - Optimal Negotiated Value
  - Value from Business Engagement
  - Historic Value

- **Time**
  - Requirements Definition
  - Sourcing Implementation

**SUPPLIER RELATIONSHIP MANAGEMENT** delivers value over and above scope of contract.

Incremental value gains over life of contract through proactive **PERFORMANCE MANAGEMENT** and continuous improvement.

Robust **CONTRACT MANAGEMENT** retaining full contract value.

Contract **OPERATIONALLY MANAGED** and **VALUE ERODED** from day one.

Over zealous negotiation, **VALUE LOST** as supplier is in an unsustainable position to maintain service and works to reclaim margin.
Procurement have engaged with social enterprises…

- Employs over 600 youth in various programs
- 52,000+ hours of training offered
- 91% success in improving the housing stability of young people

- Employs over 30 people with mental illness
- Created 14 new job opportunities within in the hospitality industry in 2017

- Employs over 20 people seeking asylum
- Directly supports over 30 holistic programs to help protect, support and empower people seeking asylum

105,000 are homeless in Australia

44,000 under 25 years

52% of young people cannot find a job due to skillset and education

Over 3000 people per year are seeking asylum
1. The Melbourne Vision: Growing Esteem;

2. University Services:
   - Unlocking value for the University;
   - Improved customer experience;
   - A pivot to digital;
   - Data to inform decision making.

3. Procurement Services: changing the culture of procurement, and delivering better outcomes for our Stakeholders through centre leadership.

Evolution of procurement triple bottom line to a greater value proposition:

- **Economic Value**: Value for money related to cost.
- **Environmental Value**: Value for money reflecting whole of life cycle of product/service.
- **Social Value**: Social cost and positive social impact considered within the business case.
Procurement & Supply Chain: Impacts and Outcomes

Procurement Services aims to more actively engage with, and facilitate existing & future ethical & sustainable obligations and initiatives, as well as to develop a targeted social procurement program to capture the opportunity to promote specific procurement activities that put the University’s community first.

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<th>Owner</th>
<th>Active Stakeholder</th>
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<th>Sustainable (environmental) Impact:</th>
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<td>Ethical Impact:</td>
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<td>• Fair and ethical trade;</td>
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<td>• Eliminating modern slavery in supply chains.</td>
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Supplier Code of Conduct