

ANALYSING THE WIDER IMPACT OF PUBLIC PROCUREMENT SPEND

Top reasons to analyse your procurement spend



Responsibility:

Ensure the way public money is spent not only takes into account savings and efficiency but also includes social and environmental responsibility at its heart.



Strategic power:

Use the findings to inform public procurement and economic development strategies, policies and processes to benefit the economy, your communities and the environment in a meaningful way.



Evidence:

Develop an evidence base of how your organisation is contributing to the resilience of the economy, the wellbeing of your communities and the sustainability of the environment directly through procurement.



Change:

Engage with colleagues, other organisations, suppliers, and key stakeholders to change mindsets and progress public procurement practices.



Knowledge:

Gain an in depth understanding of your procurement spend to realise its strategic power to meet your organisation's goals.



Transparency:

Provide your communities with information and transparency on how their public money is being spent and the impact it delivers.

Four Methods to build an evidence base

Basic Spend Analysis:

Gather evidence on where your procurement spend goes with suppliers:

- By geographical areas of interest
- By types of businesses
- By sectors



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Advanced Spend Analysis



Gap Analysis

Gather evidence on where your procurement spend goes with suppliers beyond your geographical areas of interest:

- By type of businesses
- By sectors

Compare this evidence with your total procurement spend and your procurement spend in geographical areas of interest to identify potential gaps in sectors and types of businesses as well as areas where you could progress how you undertake public procurement to support inclusive economic growth and more resilient supply chains

Use this evidence to strengthen your knowledge of the supply base.



Re-spend Analysis

Gather evidence on what happens to your procurement spend once it reaches your supply chain:

- How much your supply chain spends on staff wages
- How many employees they have
- Where their employees are from
- How much your supply chain spends with suppliers
- How many suppliers they work with
- Where their suppliers are based

Use this evidence to understand how your public money circulates in the economy.



Wider Impact Analysis

Gather evidence on the wider impact of your procurement spend:

- Economic impact (e.g. number of employment opportunities, initiatives to improve the skills of communities)
- Social impact (e.g. initiatives to support communities' wellbeing and safety, for example around mental health or food poverty)
- Environmental impact (e.g. amount of carbon emissions or waste reduced by suppliers)

Use this evidence to understand how suppliers contribute to sustainable goals that support the economy, your communities and the planet.

Tips on how to use the findings to create change in your procurement cycle

Monitoring

Use the findings from your Wider Impact analysis to inform how you monitor the delivery and capture the outcomes of procurement activities as well the data you need to collect as part of this process to evidence the impact delivered directly through procurement.

Governance

Use your Basic and Advanced Spend Analysis findings to inform Procurement Strategies, Strategic Procurement Plans and the setting of procurement targets (e.g. the increase of spend with SMEs, etc).

Use the findings from your Wider Impact analysis to inform the outcome that you want to include in your tenders.

Procurement

Use the findings from your Basic Spend Analysis and Gap Analysis to inform how you can progress processes, develop guidance and ensure the accessibility of your procurement opportunities with different types of suppliers.

Pre-procurement

Use your Basic Spend Analysis, Gap Analysis and Re-spend Analysis findings to identify sectors and types of businesses, such as SMEs or social enterprises, to engage with as part of pre-procurement market engagement activities (e.g. Meet the Buyers events).

Commissioning

Use the findings from your Re-spend analysis, Basic Spend Analysis and Wider Impact analysis to inform the design of your tender and the inclusion of social and environmental criteria.

For more guidance, tools and recommendations on how to take your strategic procurement journey forward discover the Making Spend Matter Toolkit:

Visit: urbact.eu/makingspendmatter

#MakingSpendMatter



Making Spend Matter is a network of 7 European cities, funded through the URBACT III Programme and the European Regional Development Fund, exploring how spend analysis can be used as an evidence base to improve public procurement and deliver wider benefits to communities and places.