



Screening Suppliers & Purchasing Locally



What is a Local Purchasing Policy & Supplier Screen?

A local purchasing policy is a documented commitment to give preference to locally-produced goods and services. The goods are purchased from a local and independent business over those produced more distantly. The definition of local can vary depending on geographic area. A general guideline is a 50-mile radius from a place of business.

A Supplier Screen is a tool used by a company to collect information from current or prospective suppliers to gauge if they satisfy social and environmental criteria that are meaningful to the company.

Why Seek Local Suppliers?

There are many well-documented benefits to communities and to companies for choosing local, independently-owned suppliers.

Buy Local – Support Yourself: Studies have shown that when a company buys from an independent, locally-owned business, significantly more of its money is used to make purchases from other local businesses, service providers, and farms, continuing to strengthen the economic base of the community.

Support Community Groups: Nonprofit organizations receive an average of 250% more support from smaller business owners than they do from large businesses.

Reduce Environmental Impact: Locally-owned businesses can make more local purchases requiring less transportation. They generally set up shop in town or city centers as opposed to developing on the fringe. This generally means contributing less to sprawl, congestion, habitat loss, and pollution.

Get Better Service: Local businesses often hire people with a better understanding of the products they are selling and take more time to get to know customers.

Create More Good Jobs: Small local businesses are the largest employer nationally and in our community, and provide the most jobs to the residents of Rhode Island.

Invest in Community: Local businesses are owned by people who live in our region, are less likely to leave, and are more invested in the community's future.

Put Taxes to Good Use: Local businesses in town centers require comparatively little infrastructure investment and make more efficient use of public services as compared to nationally-owned stores entering the community.

Buy what the company wants, not what someone wants the company to buy: A marketplace of tens of thousands of small businesses is the best way to ensure innovation and low prices over the long-term. A multitude of small businesses, each selecting products based not on a national sales plan but on their own interests and the needs of their local customers, guarantees a much broader range of product choices.

Encourage Local Prosperity: A growing body of economic research shows that in an increasingly homogenized world, entrepreneurs and skilled workers are more likely to invest and settle in a community that preserves their one-of-a-kind businesses and distinctive character.

Why Screen Significant Suppliers?

A company can strengthen its own mission by making sure it engages with suppliers that have aligning missions and values. Conducting a supplier screen is a way for companies to understand if the business practices of their suppliers match up with the company's social and environmental standards.

When a company's suppliers have goals that are in line with its own, these suppliers become not only a resource, but also a partner in furthering the company's vision.

Tips to Screen Significant Suppliers

Many resources already exist that can support a company in working with its suppliers.

- Ask suppliers to take the Best for Rhode Island Challenge and then share their responses.
- Ask suppliers to take the full B Impact Assessment and then share their responses.

Even if a company does not want to use these tools, the standards outlined in the assessments can provide a starting place for the criteria that may be used to evaluate suppliers. Then, conduct an evaluation in person, through a paper or online survey using a service like Survey Monkey. When creating a tailored tool, make sure to evaluate impact areas that are important to the business.

Developing Preferential Purchasing Policies and Plans

The best, and often most straightforward, approach to increasing local purchases and purchases from mission- or value-aligned businesses is to create a formal preferential purchasing policy. Such policies can include preferences for:

- Business that are owned by veterans, people with disabilities or (where allowed by law) other underrepresented groups
- Local, small, and/or independent businesses
- Purpose-driven businesses or non-profit organizations
- Companies located in low-income areas or that provide job opportunities to people with barriers to employment
- Businesses certified for social or environmental practices or products (can specify specific certifications)

Resources

- B Lab offers a best practices guide on [Creating Impact Through Purchasing](#)
- Research and leverage local businesses in Rhode Island through [Buy Local RI](#)
- [Farm Fresh RI](#) provides a guide to local farms and potential produce suppliers

Associated Resource Guides

- Ownership, Board, and Supplier Diversity
- Training Employees on Social & Environmental Aims

