# Social Procurement Plan template

## General instructions

Government buyers must develop a Social Procurement Plan for each individual procurement activity [valued at or above $20 million](https://www.buyingfor.vic.gov.au/social-procurement-determining-value-individual-procurement-activities) (exclusive of GST).

This involves an activity-specific social procurement opportunity analysis that considers the organisation’s Social Procurement Strategy and areas where the greatest social and sustainable impact can be achieved.

Note: The Building Equality Policy (BEP) applies to construction projects valued at or above $20 million. BEP is implemented through the SPF. Therefore, if BEP applies, this policy should be addressed in the Social Procurement Plan. The Social Procurement Plan must be approved by the financial delegate responsible for the individual procurement activity.

## Social Procurement Plan

### Procurement details

**Organisation:** [*Department/agency*]

**Key contact for social procurement:** [*Name, title and contact details*]

**Key contact for procurement:** [*Name, title and contact details*]

**Contract manager:**[*Name, title and contact details*]

**Procurement activity:** [*Name and category of procurement activity, for example, type of goods and services, or construction project name*]

**Procurement method:** [*Invitation to supply e.g. open market approach, limited market approach, multi-phase*]

**Estimated value:** [*Estimated value of the individual procurement activity*]

**Key dates:** [*Targets dates for applicable procurement stages and contract award if known*]

**Date:** [*Date this document is finalised*]

### Procurement context

Outline the background/context of the individual procurement activity, including:

* any strategic objectives and key priorities for the activity
* whether the activity is expected to be high profile and/or high risk
* whether the activity involves one or more discrete packages of work (e.g. a procurement valued at $30 million (exclusive of GST) may be comprised of two discrete packages of work valued at $15 million (exclusive of GST) each).

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### Department/Agency social procurement commitments

Outline:

* the [SPF objectives](https://www.buyingfor.vic.gov.au/victorian-governments-social-and-sustainable-procurement-objectives-and-outcomes) prioritised in your organisation’s Social Procurement Strategy, including any applicable targets (note: check the Social Procurement Strategy to see if it has been recently reviewed and updated)
* other organisational policies and programs that leverage high value procurement to deliver social and sustainable outcomes (e.g. Reconciliation Action Plan)
* other strategic priorities for this individual procurement activity.

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### Delivering a positive legacy

High value procurement provides the opportunity to deliver significant social value and lasting benefits for the Victorian community. It is also a chance for procurement teams to be visionary about opportunities for social, economic, cultural, environmental and supply chain innovation.

Procurement team discussions early in the procurement planning stage can capture ideas and options, including those based on:

* location, co-design opportunities with the community and traditional owner groups, local demographics, lessons learnt and best practice approaches from similar projects
* Victoria’s transition to a circular economy and net zero emissions, through using recycled materials, clean energy, and reducing waste to landfill and greenhouse gas emissions

Examples may include employment pathways for young people, targeted approaches for local priority cohorts, capability building that supports the growth and increased impact of Victorian social enterprises and Aboriginal businesses, gender equality and inclusive policies and practices within government suppliers).

Outline opportunities to deliver a positive legacy in this procurement activity:

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### Social procurement opportunity analysis

There are many ways to leverage procurement to achieve social and sustainable objectives, as outlined across Tables 1 to 5 below.

The social procurement opportunity analysis aims to identify the most relevant and significant opportunities to deliver social and sustainable outcomes based on the nature and context of the procurement activity. This may include:

* relevant targets (mandatory or recommended) across SPF objectives
* grouping objectives / outcomes together to maximise spend with social benefit suppliers or deliver inclusive employment outcomes

#### **Table 1: Opportunities to procure from social benefit suppliers: Victorian social enterprises and Aboriginal businesses**

| **Relevant objective** | **High level opportunities to consider** | **Relevant targets** |
| --- | --- | --- |
| **SPF Objective 1:** Opportunities for Victorian Aboriginal people  **SPF Objective 2:**  Opportunities for Victorians with disability  **SPF Objective 4:** Opportunities for Victorian priority jobseekers  **SPF Objective 6:** Sustainable Victorian social enterprise and Aboriginal business sectors | *Drafting note: consider potential opportunities:*  How does this procurement provide opportunities to engage Victorian social enterprises (**SPF Objectives 4 and 6**), Aboriginal businesses **(SPF Objective 1 and 6**), or Australian Disability Enterprises (ADEs) (**SPF Objective 2**)?   * Are there social benefit suppliers available that could: be engaged as sub-contractors to provide specific goods, services or construction that are required to deliver the contract? * provide goods or services to support a mainstream supplier’s wider business operations (e.g. print and stationery, recycling, catering, cultural awareness training, signage) * form a partnership to help support a mainstream supplier with capability building and/or targeted employment   Example opportunities include:   * sub-contract cleaning services for project offices * engaging a specialist employment and training provider to help increase priority jobseeker outcomes * traffic control partnership to create jobs for young people facing complex barriers to employment   *Drafting note: Outline key opportunities identified for this activity*  **1.**  **2.**  **3.**  **4.** | *Drafting note*: Targets may be mandatory (i.e. potential suppliers must commit to meet or exceed the target in their response) or recommended (i.e. potential suppliers may propose a commitment to meet or exceed the target in their response) Example targets include:   * spend target of 1-2% (expenditure with Victorian social enterprises, Aboriginal businesses and ADEs as a percentage of total contract value) * social procurement spend target of 3-5%, if employment and training costs for priority jobseekers\* are included (expenditure with Victorian social enterprises and Aboriginal businesses as a percentage of total contract value PLUS associated workforce outcomes and costs) * spend with Victorian Aboriginal businesses (determine target based on industry capability / capacity) * spend with Victorian social enterprises (determine target based on industry capability / capacity) * spend with Victorian ADEs (determine target based on industry capability / capacity)   \* Victorian social enterprises and Aboriginal businesses often employ, train and support priority jobseekers. Some infrastructure projects define social spend as expenditure with these businesses plus employment and training costs for these priority cohorts directly involved in delivering the contract. |

#### **Note:** [Social Traders](https://www.socialtraders.com.au/) and [Kinaway](https://kinaway.com.au/) support suppliers to connect with Victorian social enterprises and Aboriginal businesses, through directory access, marketplace events, targeted Expressions of Interest and facilitating new partnerships. They can also support buyers to identify relevant opportunities to engage Victorian social enterprises and Aboriginal businesses.

#### **Table 2: Opportunities for inclusive employment outcomes**

| **Relevant objective** | **High level opportunities to consider** | **Relevant targets** |
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| **SPF Objective 1:** Opportunities for Victorian Aboriginal people  **SPF Objective 2:** Opportunities for Victorians with Disability  **SPF Objective 4:** Opportunities for Victorian priority jobseekers SPF Objective 7: Sustainable Victorian regions (Opportunities for people in regions with entrenched disadvantage) | *Drafting note: Consider potential opportunities:*  Are there opportunities for some priority cohorts – or people in regions of entrenched disadvantage - to benefit from labour / employment involved in this procurement activity? These cohorts are:   * Aboriginal Victorians (**SPF Objective 1**) * Victorians with disability (**SPF Objective 2**) * Victorian priority jobseekers (**SPF Objective 4**)   People living in metropolitan or regional areas of entrenched disadvantage (specify locations and postcodes) (**SPF Objective 7**)  *Drafting note: Outline key opportunities identified for this activity:*  **1.**  **2.**  **3.**  **4.** | *Drafting note*: Targets may be mandatory (i.e. potential suppliers must commit to meet or exceed the target in their response) or recommended (i.e. potential suppliers may propose a commitment to meet or exceed the target in their response). Employment targets can be framed as a percentage of total contract estimated labour hours. Example targets include:   * 2.5% Aboriginal employment hours (mandated for major transport infrastructure projects) * 2.5% employment hours (for one of the cohorts from SPF Objectives 2,4 or 7) can include more than one SPF objective) * 10-30% inclusive employment hours (in sectors with low barriers to entry) * create role(s) for priority jobseeker cohort. *(Specify the number of roles and supported cohort):* |

#### **Notes**: [Jobs Victoria](https://jobs.vic.gov.au/) can support suppliers to connect with specific priority cohorts or to run targeted recruitment campaigns.

#### **Table 3: Opportunities to improve women’s equality and safety**

| **Relevant objective** | **High level opportunities to consider** | **Relevant targets** |
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| **SPF Objective 3:** Women’s Equality and Safety | *Drafting note: Consider potential opportunities:*  Are there opportunities to support women and advance gender equality through this procurement?   * More women in senior / technical roles, especially in areas where participation has traditionally been low (for example, ICT and construction) * More women in leadership and Board roles * Greater pay equity * More women in apprenticeships and traineeships * More women in trade and labour roles * More women in internships and cadetships   Opportunities can also support achievement of other objectives in the Social Procurement Framework. For example:   * Greater participation of Aboriginal women (**SPF Objective 1**) * Greater participation of women with disability (**SPF Objective 2**) * Greater participation of women Victorian priority jobseekers (**SPF Objective 4**) * Greater participation of women in regions of entrenched disadvantage (**SPF Objective 7**) * Gender equality policies, programs and practices in place, or to be developed, as a direct result of the contract   *Drafting note: Outline key opportunities identified for this activity:*  **1.**  **2.**  **3.**  **4.** | *Drafting note:* For construction projects, the [Building Equality Policy](https://www.vic.gov.au/building-equality-policy) requirements apply:   * Suppliers to provide organisation-wide and draft project specific Gender Equality Action Plans during the procurement process and a final project-specific Plan post-award. * Management/s**upervisory** and specialist labour (staff) - women are required to perform at least 35% of the total contract estimated labour hours for each staff position * Trade covered labour - women are required to perform at least 3% of the total contract estimated labour hours for each trade position * Non-trade Construction Award covered labour - women are required to perform at least 7% of the total contract estimated labour hours for each non-trade Construction Award covered labour position * At least 4% of the total contract estimated labour hours to be performed by women who are registered apprentices or trainees   *Drafting note*: Other than Building Equality Policy requirements, targets may be mandatory (i.e. potential suppliers must commit to meet or exceed the target in their response) or recommended (i.e. potential suppliers may propose a commitment to meet or exceed the target in their response). Example targets include:   * Percentage of the project team occupied by women * Flexible working arrangements * Prevention and responses to sexual harassment * Develop a gender equality audit and action plan in place (for goods and services procurement) |

**Note:** Industrial Relations Victoria provides advice on applying the Building Equality Policy (BEP) to construction projects valued at or above $20 million. Considering the BEP policy requirements policy can also assist with identifying gender equality opportunities for good and services procurement. For further support or information see:

[Building Equality Policy](https://www.vic.gov.au/building-equality-policy)

#### [Women in Construction](https://womeninconstruction.com.au/) Strategy

#### [Victoria's Gender Equality Strategy](https://www.vic.gov.au/our-gender-equality-strategy) and Action Plan

#### [Jobs Victoria](https://jobs.vic.gov.au/)

#### **Table 4: Opportunities to support safe and fair workplaces**

| **Relevant objective** | **High level opportunities to consider** | **Relevant targets** |
| --- | --- | --- |
| **SPF Objective 5:** Supporting safe and fair workplaces | *Drafting note: Consider application of procurement-related policies and opportunities to improve supplier performance in relation to providing safe and fair workplaces:*   * Comply with the [Victorian Supplier Code of Conduct](https://www.buyingfor.vic.gov.au/supplier-code-conduct) * Comply with the Fair Jobs Code (where applicable) * Promote secure employment | *Drafting note: This objective overlaps with focus areas of the Victorian Supplier Code of Conduct and Fair Jobs Code. It is not usually recommended as a focus for procurement activity*  *~~If this objective is prioritised, aim to set mandatory or recommend targets that go beyond mere compliance with industrial relations laws. For example, a target might~~* ~~address barriers to secure employment (for example, security of tenure or commitment to minimum hours).~~ |

#### **Table 5: Opportunities to deliver environmental sustainability outcomes**

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| **Relevant objective** | **High level opportunities to explore/pursue** | **Relevant targets** |
| **SPF Objective 8:** Environmentally sustainable outputs  **SPF Objective 9:** Environmentally sustainable business practices  **SPF Objective** **10:** Implementation of climate change policy objectives | *Drafting note: Consider potential opportunities:*  Specify waste and pollution reduction or minimisation requirements  Seek commitments from suppliers at an organisational (could be international, national, or state) or project / contract level, with a focus on the Victorian context, for:   * the use of sustainable resources * recycled content * clean energy * waste reduction | *Drafting note:*  For major transport infrastructure projects, [Recycled First Policy](https://roadprojects.vic.gov.au/about/recycled-first) requirements apply:   * Optimise and report on the use of recycled and reused materials   Other than Building Equality Policy requirements, targets may be mandatory (i.e. potential suppliers must commit to meet or exceed the target in their response) or recommended (i.e. potential suppliers may propose a commitment to meet or exceed the target in their response). Example targets include:   * New / improved commitment to a timeline to achieve net zero emissions * Commitment to project-or contract-specific waste reduction, circular economy, sustainable inputs, and climate resilience actions * Commitment to sourcing percentage or all contract / organisational electricity requirements from renewable sources * Commitment to having percentage of project fleet comprised of electric vehicles by 2024 |

**Notes:** Contact [Sustainability Victoria](https://www.sustainability.vic.gov.au/) for further information and advice to identify opportunities and support suppliers relating to environmental sustainability (e.g. increase use of recycled content, promote circular procurement).

### Priority objectives

Government buyers are expected to prioritise at least three social objectives and one sustainability objective from the framework, in high value procurements.

When prioritising SPF objectives, consider the following:

1. Department/agency objectives, from a social procurement and broader program and policy perspective
2. Scope to achieve a positive legacy over the contract term and beyond, such as greater workforce inclusion, supply chain diversity, environmental innovation, or lasting benefits for the community
3. Ensuring that inclusive employment opportunities for priority cohorts are positive and sustainable, for example supported by:

* specialist employment and training providers
* targeted attraction, development and retention strategies that meets the needs of particular priority cohorts (for example, young Aboriginal people, overseas qualified engineers or female apprentices)
* capability building for managers and broader organisational training around cultural awareness, unconscious bias, anti-discrimination, accessibility, and workplace safety for specific cohorts
* mentoring and wrap-around case management and peer support

These approaches build safety and a more inclusive workplace culture. They help move beyond tick-box recruitment approaches to social procurement to delivering more sustainable employment outcomes that benefit those facing barriers to equitable participation.

1. Opportunities to learn from previous procurements with similar scope, to embrace best practice or to trial ambitious new approaches.

What SPF objectives offer the best opportunities through this individual procurement activity? Can some objectives be bundled together, for example: spend with social benefit suppliers (e.g. across 2 SPF objectives) and/or inclusive employment (across 2 or more SPF objectives), to provide flexibility and make it easier for tenderers to respond and play to their strengths?

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### Social procurement evaluation

Weighted evaluation criteria for social procurement in invitations to supply sends a strong message to the market on project-specific expectations. For most projects over $20 million (exclusive of GST), a 10–20% weighting is recommended.

For construction projects, a minimum 10% is recommended as evaluation spans two key areas:

* women in construction targets, policies and practices (Building Equality Policy)
* inclusive employment, social spend, sustainability, and other objectives.

When designing the evaluation framework for this procurement activity, consider how to assess:

* baseline (current performance) vs commitments (year-on-year over contract term) to improve outcomes across prioritised objectives
* current vs future capability building activities, with commitments across relevant existing policies and practices or strategies / initiatives to be developed or expanded over the life of the activity
* the Victorian context, especially for organisations that may have a national or international presence (e.g. if a tenderer has a global environmental management system, what are the initiatives and associated performance in Victoria?).

Describe the planned approach to evaluation criteria and associated weightings:

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### Social procurement tactics

Throughout the procurement and contract management process, there are several ways to drive social and sustainable outcomes, including:

Project scope:

* Ring-fence scope within larger contracts / projects for social benefit suppliers to quote
* Unbundle projects over time, geography, complexity, or industry

Market approach:

* Consider targeted Expression of Interests through Social Traders and/or Kinaway to determine capability, capacity, and past performance of Victorian social enterprises and Aboriginal businesses
* Narrow the field that is invited to supply
* Market briefings that highlight key social procurement opportunities based on project scope, location, and insights from targeted Expressions of Interest
* Extend timelines for responses to invitations to supply to enable partnership development
* Pre-qualify a broader supplier group

Evaluation and select offer process:

* Maximise social and sustainable commitments through weighted evaluation criteria / mandatory minimum requirements
* Best and final offer processes

Supplier relationship model:

* Panel arrangements
* Potential for partnerships and supplier development initiatives
* Public Private Partnership, Alliances, preferred supplier panels / registers

Contract management:

* Incorporate financial incentives (penalties and rewards) based on social and sustainability performance
* Unbundling can increase over time, based on performance, to help scale / develop social benefit suppliers
* Establish reporting requirements at invitation to supply stage and monitor and report on these requirements during the contract management stage

For more ideas see: [Level Crossing Removal Project - Social Procurement in Practice](https://bigbuild.vic.gov.au/__data/assets/pdf_file/0019/644302/TFTF-Social-Procurement-in-Practice-resource-Oct-19-final.pdf)

List relevant tactics to help achieve the identified objectives:

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### Social procurement capability and reporting

Social procurement spans the procurement lifecycle. Procurement and contract management teams need the skills and tools required to confidently manage and report on social procurement commitments, especially in high-profile or high-risk projects.

Please outline key action areas to build procurement capability (across people, processes, and systems) and how the organisation will manage and report on social procurement commitments for this activity. These may be general or relate to specific SPF objectives.~~.~~

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| 1. Procurement officers to undertake SPF e-learning courses  2.  3.  4. |

### SIGNATURE:

**Signed by financial delegate:** ..................................................... Date ........................

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