# Social procurement strategy (Short-form) template

The Social Procurement Framework requires departments and agencies to develop a Social Procurement Strategy.

There are only two exceptions:

First, if the agency meets these criteria:

* total annual procurement spend is below $10 million; and
* all individual procurement activities are valued below $50,000

These agencies do not have to complete a Social Procurement Strategy. Instead, they complete a Social Procurement Commitment.

Second, if an agency follows the policies and practices of a lead department, it does not have to complete a Social Procurement Strategy. Instead, it confirms with its portfolio department any necessary steps to adopt the departmental Social Procurement Strategy.

## Who should use this template?

This template is designed for Victorian Government agencies that meet either of these criteria:

* total annual procurement spend is at or above $10 millionand all individual procurement activities are valued below $1 million (GST exclusive) (regional) or $3 million (GST exclusive) (metro or State-wide)
* total annual procurement spend is below $10 million (GST exclusive) and any individual procurement activity is valued at or above $50,000 (GST exclusive)

## General instructions

Core components of a Social Procurement Strategy may be incorporated into your organisation’s procurement strategy or set out in a standalone document. (for example, in a business plan). These components must also be included in a Social Procurement Strategy (Short-Form).

The Social Procurement Strategy, or relevant sections of your organisation’s procurement strategy, must be approved by the Accountable Officer or delegate.

This template provides example headings and instructions for each section of the Social Procurement Strategy. They may be modified to better suit your organisational needs.

## Social Procurement Strategy (Short-Form)

**Organisation:** [*Insert name of department/agency*]

**Date:** [*Insert date that this document is prepared*]

**Review date:** [*Insert date that this document is to be reviewed by agency*]

### Context

This component aims to deliver key messages in relation to the Social Procurement Framework.

**Table 1 - Key organisational messages relating to social procurement**

| Description | Agree / disagree | Comments / Actions |
| --- | --- | --- |
| The organisation is committed to advancing social and sustainable objectives through procurement in accordance with the Social Procurement Framework |  |  |
| The organisation has undertaken social procurement initiatives prior to / since the introduction of the Social Procurement Framework |  |  |

### Agency business strategy

Briefly summarise your organisation’s key priorities and strategic objectives and explain how the Social Procurement Framework relates to, or will help your organisation achieve, those priorities and objectives.

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### Agency procurement profile and social procurement opportunity analysis

Briefly summarise your organisation’s procurement profile, based on its unique procurement needs and requirements, and undertake a social procurement opportunity analysis for significant procurements.

Based on the opportunity analysis, select three or more priority [social and sustainable procurement objectives and outcomes](https://buyingfor.vic.gov.au/victorian-governments-social-and-sustainable-procurement-objectives-and-outcomes)

**Table 2 – Procurement profile**

|  | Previous year | Current year |
| --- | --- | --- |
| Procurement size | Total value($000) | Per cent(%) | Total value($000) | Per cent(%) |
| $50,000 to $99,999 |  |  |  |  |
| $100,000 to $500,000 |  |  |  |  |
| $500,000 to $999,999 |  |  |  |  |
| $1,000,000 to $2,999,999 |  |  |  |  |
| $3,000,000 or above |  |  |  |  |
| Total procurement | **$0.00** | **0%** | **$0.00** | **0%** |

**Table 3 – Analysis of opportunities relating to Social Procurement Framework objectives**

| SPF Objective | Priority objective(Yes/No) | Type of procurement (significant procurements) | Comments / Actions |
| --- | --- | --- | --- |
| Opportunities for Victorian Aboriginal people |  |  |  |
| Opportunities for Victorians with disability |  |  |  |
| Women’s equality and safety |  |  |  |
| Opportunities for Victorian priority jobseekers |  |  |  |
| Supporting safe and fair workplaces\* |  |  |  |
| Sustainable Victorian social enterprises and Aboriginal business sectors |  |  |  |
| Sustainable Victorian regions |  |  |  |
| Environmentally sustainable outputs |  |  |  |
| Environmentally sustainable business practices |  |  |  |
| Implementation of the Climate Change Policy Objectives |  |  |  |

\* *Note that the remit of the Supporting safe and fair workplaces objective is covered by other policies and is not usually recommended as a focus for procurement activity*

The social procurement opportunity analysis (above) should:

* consider your organisation’s available information and data about spend patterns and categories, and existing contracts
* identify specific opportunities and the Social Procurement Framework objectives and outcomes that are relevant to those opportunities (e.g. an existing maintenance contract is identified as involving a significant proportion of entry-level labour, which the organisation identifies as an opportunity to create employment opportunities Victorian priority jobseekers)
* cover both direct and indirect approaches to social procurement (i.e. procurement from social benefit suppliers and delivery of social and sustainable outcomes through procurement from mainstream suppliers)

Based on this analysis, consider whether it is appropriate to set social procurement targets for your organisation, for example in relation to:

* social benefit suppliers (e.g. an Aboriginal business procurement target);
* employment outcomes for Victorians with disability;
* other Social Procurement Framework objectives that are being prioritised.

Note: Under the Social Procurement Framework, it is a requirement to publish your organisational social procurement targets in the annual report. Organisational targets are recognised as an important mechanism to drive accountability for government buyers.

### Roles and responsibilities

This component should:

* identify areas of your organisation and key individuals that are involved in the procurement process
* clearly articulate the broad definition of ‘government buyer’ and the requirements imposed on them under the Social Procurement Framework. ‘Government buyer’ means the individual(s) responsible for planning, sourcing and/or approving the goods, services or construction being procured by, or on behalf of, a department or agency. Government buyers include end users, project control boards and financial delegates.
* outline any roles and responsibilities in relation to social procurement (including, for example, in relation to development of social procurement capability, supplier engagement in relation to social procurement, and your organisation’s reporting and management framework)

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### Capability development and supplier engagement

Social procurement capability involves embedding social procurement practices throughout the procurement process. The aim is for your organisation’s expertise, resourcing, systems, policies and processes to enable the delivery of social and sustainable outcomes through procurement in a manner that is aligned to its Social Procurement Strategy.

Completing the table below involves a gap analysis for your organisation in relation to social procurement capability (i.e. where your organisation is now, where the gaps are, and what actions are needed to fill those gaps).

**Table 4 – Social procurement capability gap analysis**

| Description | Assessment(Score 0-5) | Actions required |
| --- | --- | --- |
| Our Strategy covers all core components. |  |  |
| Our governance framework / accountability mechanisms promote compliance with Social Procurement Framework requirements. |  |  |
| Procurement spend is actively monitored to ensure that value-for-money outcomes are achieved, considering financial and non-financial factors including:* the total benefits and costs over the life of the goods, services or construction being procured;
* environmental, social and economic factors; and
* any risk related to the procurement.

This process includes social procurement commitments. |  |  |
| Senior management view social procurement as a strategic priority and set the tone from the top. |  |  |
| Senior management clearly communicate and supervise social procurement related roles and responsibilities. |  |  |
| Individuals with social procurement related roles and responsibilities have sufficient knowledge, skills and experience to identify and pursue opportunities to deliver social and sustainable outcomes through procurement. |  |  |
| Recruitment, training and professional development activities in relation to procurement integrate social procurement knowledge, skills and experience. |  |  |
| Social procurement is embedded throughout the procurement function (for example, in procurement-related systems, policies and processes for planning, sourcing and contract management). |  |  |
| Supplier and stakeholder relations are managed on an ongoing basis to promote compliance with contractual obligations. Management of supplier and stakeholder relations includes social procurement commitments. |  |  |
| Social procurement commitments are managed appropriately (e.g. using the Victorian Management Centre (VMC) (*if your department or agency is using VMC to record contracts containing social procurement commitments*), or alternative systems or processes). |  |  |

Note: This table consolidates a capability development plan, supplier engagement plan, and a social procurement capability assessment. For each action, assign a completion date and the individual(s) responsible for completion. After completing the table, your organisation does not need to complete a Social Procurement Capability Assessment.

If developing your first Social Procurement Strategy, it is recommended that you focus on:

* key changes to procurement systems, policies and processes to ensure compliance with Social Procurement Framework requirements (e.g. identifying social procurement practices and considerations that are appropriate in different types of procurement activities)
* targeted awareness and training programs for staff and key stakeholders (for example, procurement teams, project managers, senior management and the broader group of government buyers)
* provision of access to expertise and resources, as required

### Reporting and management framework

This component should identify how your organisation will:

* monitor progress toward acquitting components of the Social Procurement Strategy
* reporting on achievements against the Social Procurement Strategy
* collect and analyse data to monitor and report on supplier performance (including any metrics against which progress toward social procurement commitments will be measured), including for the purpose of annual reporting against the Social Procurement Framework
* monitor and report on social procurement commitments (e.g. by using the Victorian Management Centre (VMC) *(if your department or agency is using VMC to record contracts containing social procurement commitments),* or alternative systems or processes to support social procurement reporting)

Your organisation is also encouraged to undertake a ‘lessons learned’ process in relation to these areas, with a view to continuous improvement.

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### Annexures

This component should be used to attach detailed information and materials that are referenced in, or directly relevant to, the Social Procurement Strategy. For example, your organisation may wish to attach an executive summary of its business strategy or reports relating to spend analyses or complexity assessments.

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### SIGNATURE:

**Signed by Accountable Officer / delegate:** ............................................... Date ........................

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