

Victoria's Social Procurement Framework Supplier Factsheet

Small to Medium Enterprises

The Victorian Government has established *Victoria's Social Procurement Framework* (SPF), that applies to the procurement of all goods, services and construction by, or on behalf of, Victorian Government departments and agencies from 1 September 2018.



Please consider this guidance in conjunction with the *Supplier FAQs* and *All Suppliers Essential Information Factsheet* available from [Buying for Vic](#).

What is a small to medium enterprise?

For social procurement purposes, Small to Medium Enterprises (SMEs) are defined as businesses employing less than 200 people. SMEs can be mainstream suppliers or social benefit suppliers such as social enterprises, Victorian Aboriginal businesses or Victorian ADEs (Australian Disability Enterprise).

What social and environmental outcomes are Victorian SMEs already delivering?

In June 2017, Victoria had over 576,000 SMEs, which represents approximately 98 per cent of the state's total businesses. Victorian SMEs account for almost half of all private sector jobs across the state and are growing at a rate of 3.6 per cent compared to the national average of 3.1 per cent (*Source: ABS*).

Victorian SMEs are diverse, with some already delivering social and sustainable outcomes, such as:

- Employing Victorian Aboriginal people or Victorians with disability;
- Providing greater opportunities for women in non-traditional or leadership roles;
- Training and employing long-term unemployed people, disengaged youth, single parents, migrants, refugees or workers in transition;
- Using environmentally sustainable materials and business practices; or
- Contributing to regional economies and communities.

How can Victorian SMEs participate in social procurement?

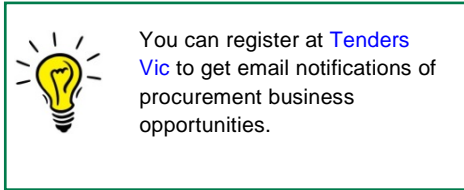
Social procurement can be grouped into two broad approaches which reflect who Government is contracting with and the way in which it is delivering social and sustainable outcomes.

- **Direct social procurement** - where a department or agency purchases goods, services or construction from a social benefit supplier.
- **Indirect social procurement** - where a department or agency purchases goods, services or construction from a 'mainstream supplier' (not a social benefit supplier) and the Government uses invitations to supply and clauses in contracts to deliver social and sustainable outcomes. This includes approaches where a mainstream supplier engages social benefit suppliers through its supply chain by subcontracting.

How do I find Government procurement opportunities?

Government buyers can undertake procurement by:

- Advertising opportunities through the Tenders Vic website. Invitations to supply cover both requests for quotation (RFQs) and requests for tender (RFTs), and may relate to projects, panels or pre-qualification schemes; or
- Inviting suppliers to quote or tender under one of the many State Purchase Contracts and supplier pre-qualification registers, such as the Construction Supplier Register.



The Victorian Government Purchasing Board (VGPB) has more information about [Government supply opportunities](#).

What do I need to consider when bidding for and delivering Government work?

The SPF opens doors for SMEs, delivering value-for-money procurement for Government that includes social and sustainable outcomes.

Departments and agencies will continue to approach the market as per requirements set by the VGPB and the *Project Development and Construction Management Act 1994* (Vic).

If you are responding to an invitation to supply, you will need to follow the instructions and templates included in the bid documentation. In your responses, you will need to demonstrate your ability to deliver any social and sustainable outcomes required as part of the supply.

The SPF recommends a minimum weighting of 5 to 10 percent for social procurement-related evaluation criteria used with invitations to supply. The weighting will depend on the:

- Scale and complexity of the goods, services or construction to be procured; and
- Importance of delivering social or sustainable outcomes relative to other requirements.

Where registers, panels or pre-qualification schemes are involved, you may need to prepare a bid to participate. Once accepted, Government buyers may ask for a RFQ for specific procurements.

What happens if I win Government work?

Suppliers need to comply with all conditions of the supply contract with a department or agency, including any social procurement requirements.

Where social and sustainable outcomes are within the scope of the goods, services or construction to be delivered, the contract may include additional clauses. These may include clauses that explain the 'SPF', and specific 'Reporting' or 'Use of Information' requirements.

For invitations to supply, you should expect contract inclusions to be provided in the bid documentation. Specific deliverables and targets may be negotiated between the Government buyer and your business prior to a contract being signed.

What if I am engaged by a large supplier delivering a Government project?

You may be engaged by another supplier who is the head contractor responsible for a supply contract with a Government department or agency. This is often the case for complex, higher value projects, such as major public construction.

In these cases, you will:

- Work with the head contractor that has procured the supply;
- Negotiate a contract between the head contractor and your business; and
- Contribute information to the head contractor that will help them to report on social and sustainable outcomes that are included in their contract with the department or agency.

The head contractor should make only fair and reasonable requests and should support your activities. This will help them to achieve their contractual social procurement obligations.

If you are required to engage with social benefit suppliers as part of your contract, free directories can assist:

- [Map for Impact](#): An online map of Victorian social enterprises
- [Kinaway's online directory](#) for Victorian Aboriginal businesses
- [Supply Nation's online directory](#) for Australian Aboriginal businesses
- [BuyAbility's online directory](#) for Victorian ADEs (Australian Disability Enterprises)

Where can I get help to win Government work?

There are a range of organisations and programs available to SMEs to help build knowledge, skills and ability to win Government business. Those available for social benefit suppliers can be found in their relevant Factsheet. The resources below are available to SMEs who are mainstream suppliers.

Resource	About the resource
Industry Capability Network (ICN) - Victoria	Provides services that enable SMEs to access projects in Victoria. ICN can introduce your business to buyers with the aim of increasing the number of manufacturers in Victoria working on projects. ICN also publishes a calendar of ICN and other industry events, conferences and seminars that may be of benefit.
Small Business Victoria	Small Business Victoria (SBV) provides a range of mentoring, mobile and online resources for SMEs with a focus on contract readiness. SBV also runs workshops for SMEs, including Winning Government Business, that helps maximise your chances of success when pitching your business as a potential supplier.

Are you social procurement ready?

There is plenty that SMEs can do to prepare for projects with social procurement requirements. Consider these questions:

- Do you understand the SPF and its objectives?
- If your SME is also a social enterprise, are you certified by [Social Traders](#)?
- If your SME is a Victorian Aboriginal business, are you verified by [Kinaway](#) or [Supply Nation](#)?
- What opportunities or challenges does the SPF present?
- What business planning or development will help make the most of the opportunities for SMEs supported by the SPF?

Where can I find more information about the SPF?

The SPF and further guidance for suppliers are available from [Buying for Vic](#).

Please call 03 9651 1699 or email SocialProcurement@dtf.vic.gov.au for any questions or comments.

Case insight for Victorian SMEs

Great Ocean Stays

Small business thinking socially and sustainably

Great Ocean Stays is a holiday rental and property management service offering boutique accommodation on the Bellarine Peninsula. They are committed to providing an inclusive travel service and have purpose-built a complex of holiday homes highly accessible for Victorians with disability.

Great Ocean Stays actively promotes employment of Victorians with disability and encourages other businesses to tap into this huge skillset of talented employees, by seeing beyond the disability. They also make a public and environmental promise to advocate continuous environmental improvement through local conservation advocacy and promoting reuse, reduce and recycle principals at holiday homes.

[Great Ocean Stays](#) is part of Business Victoria's Faces of Small Business digital exhibition.