

Victoria's Social Procurement Framework Supplier Factsheet

Victorian Social 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 social enterprise?

Social enterprises are businesses that:

- Trade intentionally to tackle social problems, improve communities, provide access to employment and training, or help the environment;
- Derive most of their income from trade, not donations or grants; and
- Use at least 50 per cent of their profits on their social mission.

Under the SPF, a social enterprise means an organisation that is certified by [Social Traders](#) or listed on the [Map for Impact](#).

What does the SPF mean for social enterprises?

Opportunities for social enterprises are central to the SPF. Social enterprises have social and sustainable outcomes built into their DNA, helping to advance:

- Employment of Victorian Aboriginal people or Victorians with disability;
- Gender equality including greater opportunities for women in non-traditional or leadership roles, or support for at-risk women;
- Training and employment of long-term unemployed people, disengaged youth, single parents, migrants, refugees or workers in transition;
- Use of environmentally sustainable materials and business practices;
- Sustainable regional economies and communities.

How does the SPF support social enterprises?

The SPF recognises that social enterprises play an important role in delivering social and sustainable outcomes for Victorians. Social enterprises have an active and growing industry presence. In 2017, there were more than 3,500 social enterprises in Victoria contributing \$5.2 billion to the economy and creating 60,000 Victorian jobs (*Source: [Map for Impact](#)*).

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, including Victorian social enterprises.

- **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 will Government buyers or other suppliers find social enterprises?

Government buyers will have access to a certified directory of social enterprises through VendorPanel. This directory will enable Government buyers to find certified social enterprises, with a link to the Social Traders marketplace.

Departments and agencies may also refer to the online [Map for Impact](#) to identify social enterprises located across Victoria.

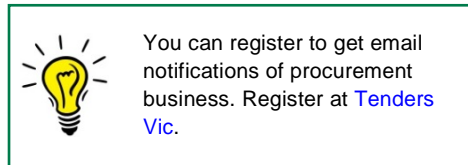
If you believe your organisation is an eligible social enterprise, please contact [Social Traders](#) for information on getting certified.

Mainstream suppliers and other social benefit suppliers can access information on Victorian social enterprises through [Social Traders](#), noting fees may apply, or for free through the [Map for Impact](#).

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 Government work?

The SPF opens doors for social enterprises, 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).

Responding to an invitation to supply

As part of your bid, you may need to:

- Use a standard form to complete your response to the invitation to supply;
- Demonstrate your ability to support social and sustainable outcomes prescribed in the bid documentation, for instance, information about:
 - relevant policies, strategies and business practices; or
 - achievements that show your commitment and capabilities.

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

- Scale and complexity of a goods, services or construction procurement; and
- Importance of delivering social and 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.

Responding to requests for verbal quotes

For low value, intermittent purchases, Government buyers may ask your business for a quotation. The Government buyer will have confirmed you as a certified social enterprise before making contact. You should respond with what you can supply and the cost.

What happens if I win Government work?

Suppliers need to comply with conditions of the supply contract with a department or agency.

Where outcomes for social enterprises 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 social enterprise prior to a contract being signed.

What if I am engaged by another supplier in their supply chain on 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.

Where can I get help to win Government work?

There are a range of organisations and programs available to social enterprises to help build knowledge, skills and ability to win Government business.

Organisations	About the Organisation
Social Traders	Social Traders is a national social enterprise development organisation that works to break the cycle of disadvantage and build resilience in Victoria and across Australia. It provides buyer and supplier services for social enterprise procurement, including a national conference and social enterprise awards, regular marketplace events, contract readiness support and training, and certification for social enterprises.
Map for Impact	Provides a searchable map of social enterprises across Victoria.
Industry Capability Network (ICN) - Victoria	Provides services that enable Small and Medium Enterprises (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.
Program	About the Program
Selling to Government	Small Business Victoria (SBV) offers free information and resources to SMEs on selling to Government and winning Government business, such as understanding Government contracts, how to find Government quotes, tenders and contacts and tips to winning Government work.
Small Business Mentoring and the Small Business Bus	SBV provides a range of mentoring and mobile resources for SMEs with a focus on contract readiness, mentoring and support.
Winning Government Business Workshops	SBV runs workshops for SMEs with step-by-step guidance to maximise your chances of success when pitching your business as a potential supplier.

Are you social procurement ready?

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

- Do you understand the SPF, its objectives for social enterprises and how this aligns with your social mission?
- Are you certified by [Social Traders](#)?
- What opportunities or challenges does the SPF present?
- What business planning or development will help make the most of the opportunities for social enterprises supported by the SPF?

Where can I find more information about the SPF?

The SPF and further guidance for suppliers is 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 social enterprises

Kinfolk

Government purchasing directly from social enterprises

Kinfolk is a café and catering business in Melbourne's CBD that was established on a volunteer basis to see if business could be part of the solution towards creating more inclusive communities.

The social enterprise provides training and skills to people who face barriers to employment, while passing on all profits from the business to charity partners. They work with people from different demographics, including Victorians with disability and other disadvantaged members of the community, such as people exiting the criminal justice system.

Kinfolk is featured in the *Victoria's Social Procurement Case Studies and Highlights* report, which can be found at [Buying for Vic](#).