# Social procurement strategy (Short form) template

The requirement to develop a Social Procurement Strategy applies to agencies subject to [the Standing Directions 2018 under the Financial Management Act 1994 (Vic)](https://www.dtf.vic.gov.au/financial-management-government/standing-directions-2018-under-financial-management-act-1994).

There are only two exceptions:

Firstly, if both of the following apply:

* an agency’s total annual procurement spend is less than $10 million, **and**
* all individual procurement activities are valued at less than $50,000

Then an agency does not have to complete a Social Procurement Strategy. It instead completes a Social Procurement Commitment. Please contact the [Department of Government Services](mailto:socialprocurement@ecodev.vic.gov.au) for a template.

Secondly, where an agency follows the policies and practices of a lead department, it must submit a letter signed by both the agency and portfolio department to [socialprocurement@ecodev.vic.gov.au](mailto:socialprocurement@ecodev.vic.gov.au). This letter must establish protocols for adopting the departmental social procurement strategies, policies and procedures.

Further information can be found at [Social procurement – Planning requirements for departments and agencies](https://www.buyingfor.vic.gov.au/social-procurement-planning-requirements-departments-and-agencies).

## General instructions

Departments and agencies are required to develop a Social Procurement Strategy.

The core components of a Social Procurement Strategy (refer to [Social procurement – Planning requirements for department and agencies](https://buyingfor.vic.gov.au/social-procurement-planning-requirements-departments-and-agencies)) may be incorporated into the 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 (Short-Form), or the relevant components of the 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. However, this particular template is designed for agencies that meet either of the following criteria:

1. The agency has a total annual procurement spend at or above $10 million**,** and all individual procurement activities valued below $1 million (GST exclusive) (regional) or $3 million (GST exclusive) (metro or State-wide); or
2. The agency has a total annual procurement spend below $10 million (GST exclusive), and any individual procurement activity is valued at or above $50,000 (GST exclusive).

## Social Procurement Strategy (Short-Form)

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

**Date:** [*Insert date that Social Procurement Strategy is prepared*]

**Review date:** [*Insert date that Social Procurement Strategy is to be reviewed by agency*]

### Context

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

| Description | Agree / disagree | Comments / Actions |
| --- | --- | --- |
| Procurement is a core business and strategic function |  |  |
| The organisation is committed to advancing social and sustainable objectives through procurement in accordance with the Social Procurement Framework |  |  |
| Social procurement initiatives have been undertaken by the organisation prior to the introduction of the Social Procurement Framework |  |  |

### Agency business strategy

This section should briefly summarise the key priorities and strategic objectives of the organisation and explain how the Social Procurement Framework relates to, or will help the organisation achieve, those priorities and objectives.

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### Agency procurement profile and social procurement opportunity analysis

This section should briefly summarise the organisation’s procurement profile, based on its unique procurement needs and requirements, including a social procurement opportunity analysis for significant procurements.

**Table 2 – Procurement profile**

|  | Previous year | | Current year | |
| --- | --- | --- | --- | --- |
| Procurement size | Total value  ($000) | Per cent  (%) | Total value  ($000) | Per cent  (%) |
| Below $50,000 |  |  |  |  |
| $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 |  |  |  |

The social procurement opportunity analysis (above) should:

* consider the 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 (for example, 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); and
* cover both direct and indirect approaches to social procurement (that is, procurement from social benefit suppliers and delivery of social and sustainable outcomes through procurement from mainstream suppliers).

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

* social benefit suppliers (for example, the Government’s 1% Aboriginal business procurement target);
* employment outcomes for Victorians with disability;
* other Social Procurement Framework objectives that are an organisational priority.

Under the Social Procurement Framework, it is not mandatory to set social procurement targets for the organisation. However, organisational targets (connected to personal KPIs) are recognised as important mechanism to drive accountability for government buyers.

### Roles and responsibilities

This section of the Social Procurement Strategy should:

* identify areas of the 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; and
* 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 the 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, so that the organisation’s expertise, resourcing, systems, policies and processes enable the delivery of social and sustainable outcomes through procurement in a manner that is aligned to its Social Procurement Strategy.

The table below articulates the organisation’s gap analysis in relation to social procurement capability and the actions that will be taken to fill the gap.

**Table 4 – Social procurement self-assessment and capability development plan**

| 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:   * 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.   Spend analysis can accommodate social procurement commitments. |  |  |
| Senior management view social procurement as a strategic priority and set the tone from the top. |  |  |
| Roles and responsibilities in respect of social procurement are clearly communicated and supervised by senior management. |  |  |
| 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 process (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 can accommodate social procurement commitments. |  |  |
| Buyers and suppliers consistently use the Victorian Management Centre for reporting social procurement commitments. |  |  |

Note: The above table combines a capability development plan and supplier engagement plan with a social procurement self-assessment. Any actions required should assign a completion date and the individual(s) responsible for completion. After completing the table, the organisation does not need to complete and submit the Social Procurement Self-Assessment.

The organisation’s first Social Procurement Strategy may focus on:

* key changes to procurement systems, policies and processes to ensure compliance with Social Procurement Framework requirements (for example, 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); and
* provision of access to expertise and resources, as required.

### Reporting and management framework

This section should identify how the organisation will:

* report 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 annual reporting against the Social Procurement Framework; and
* show a commitment to using the Victorian Management Centre to report on all social procurement commitment.

It is also strongly encouraged that the organisation undertakes a ‘lessons learned’ process in relation to these areas, with a view to continuous improvement.

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### Annexures

This section should be used to attach detailed information and materials that are referenced in, or directly relevant to, components of the Social Procurement Strategy. For example, the 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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