

Victoria's Social Procurement Framework (SPF)

What is social procurement?

Social procurement is when organisations use their buying power to generate social value above and beyond the monetary value of the goods, services or construction being procured.

Social value is the additional benefits created for all Victorians when social and sustainable outcomes in the SPF are achieved.

Social procurement may be grouped into two broad approaches which reflect who Bairnsdale Regional Health Service are contracting with and the way in which it is seeking to deliver social and sustainable outcomes through procurement:

Direct social procurement

The **direct approach** to social procurement is where Health Purchasing Victoria (HPV) or a health service purchases goods, services or construction from a 'social benefit supplier'. By purchasing from social benefit suppliers Bairnsdale Regional Health Service are directly delivering social and sustainable outcomes.

Bairnsdale Regional Health Service will still request for a quote or invite the social benefit supplier to tender and conduct a best value for money assessment before awarding the supplier.

Under this framework, a social benefit supplier operates and has business premises in Victoria and meets one or more of the following criteria:

- Is a social enterprise, certified by [Social Traders](#) or listed on the online social enterprise [Map for Impact](#).
- Is an Australian Disability Enterprise (ADE) listed with [BuyAbility](#) and providing 'supported employment services' as defined in section 7 of the Disability Services Act 1986 (Cth).
- Is a Victorian Aboriginal Business, verified by [Supply Nation](#) or [Kinaway](#).

Indirect social procurement

The indirect approach to social procurement is where Bairnsdale Regional Health Service engages a supplier who is not a social benefit supplier itself but can demonstrate or commit to achieve one or more of the ten social and/or sustainable benefit outcomes as specified in the tender requirements. For example, the adoption of a gender equality policy to advance women's equality and safety.

Why was the framework introduced?

SPF works to leverage the public health sector's buying power to create jobs and skills-based training for disadvantaged Victorians. It seeks to address systemic inequalities and improve environmental outcomes in local communities.

All Government departments and agencies, including Bairnsdale Regional Health Service, are to apply the framework to all goods, services or construction procurement.

Why should businesses consider social benefits?

Apart from meeting social procurement requirements outlined by Bairnsdale Regional Health Service in invitations to supply and contract conditions, social procurement is good for business and benefits can include:

- Opportunity to integrate social and sustainable outcomes with business delivery.
- Competitive positioning when bidding for Government work.
- Building a positive company profile and reputation.
- Fostering workplace diversity, capability and productivity.

How can a supplier meet social or sustainable procurement requirements?

For each tender, Bairnsdale Regional Health Service will outline the social procurement objectives they are aiming to meet in the request for tender documentation.

The objectives will vary from one tender to another to reflect the nature of the product or service being purchased. Guidance will be provided in the Invitation to Supply (ITS) documentation.

The Buying for Victoria website includes guidance on what Government agencies, including Bairnsdale Regional Health Service, may require. See *Table 3: Individual procurement activity requirements for government buyers* in the [Victoria's Social Procurement Framework](#) overview document.

Is meeting social or sustainable procurement objectives a mandatory requirement for tendering with Bairnsdale Regional Health Service?

No. However suppliers will be better positioned to win the contract by demonstrating or delivering social or sustainable requirements outlined in the tender.

Victoria's Social Procurement Framework sets minimum individual procurement activity requirements for HPV and health services based on the value threshold outlined in the table below.

The thresholds relate to the value of the procurement being undertaken by Bairnsdale Regional Health Service.

Victoria's Social Procurement Framework Individual procurement activity requirements				
	Below threshold	Lower band	Middle band	Upper band
	Regional under \$1 million	Regional \$1 to \$20 million	\$20 to \$50 million	Over \$50 million
	Metro or State-wide under \$3 million	Metro or State-wide \$3 to \$20 million		

HPV

A state-wide tender value of \$3 million or more means you will have a greater chance of winning business if you can meet a minimum of one or more social and/or sustainability policy objectives and corresponding outcomes outlined by HPV. There is a weighting of 5 -10 per cent of the total weighting in the evaluation of these social and sustainable criteria.

Health services

Regional health services

A tender value of \$1 million or more has a weighting of 5-10 per cent in the evaluation of these social and/or sustainable criteria. This means you will have a greater chance of winning business if you can meet a minimum of one or more social and/or sustainability policy objectives and corresponding outcomes outlined by health services.

Will the introduction of this framework result in additional costs for businesses?

Not necessarily. The SPF is designed to encourage suppliers to do responsible business through inclusive employment or social or sustainable business practices and policies.

For many suppliers, social or sustainable procurement objectives may be part of their business as usual operations.

Social enterprises already operate in the current marketplace and the framework simply raises their profile for businesses who may not have previously been aware of them.

The framework gives suppliers who can meet social and/or sustainability objectives and associated outcomes a competitive advantage.

Do businesses have to update policies and procedures to achieve social procurement benefits?

Businesses may have to update some of their policies and procedures in order to meet some social and/or sustainability objectives and their associated outcomes.

For example introducing a gender equality policy or provision of additional family violence leave would deliver benefits beyond meeting social procurement objectives by enabling you to create a more diverse workforce.

Is there an advantage in being a local supplier?

Social procurement delivers benefits for all Victorian businesses including:

- Opportunity to integrate social and sustainable outcomes with business delivery.
- Competitive positioning when bidding for Government work.
- Building a positive company profile and reputation.
- Fostering workplace diversity, capability and productivity.

Suppliers may or may not find it easier to meet certain criteria.

For example businesses with a supply chain in Victoria will meet criteria more readily for some objectives.

There are other Government policies which local businesses should also consider outside of Victoria's Social Procurement Framework such as the Local Jobs First initiative which is focussed on promoting employment and business growth by expanding market opportunities for local industry in Australia and New Zealand. For more information see the supplier guidance available on the [Local Jobs First website](#).

Where can I find out more?

The [Buying for Victoria](#) website contains plenty of guidance on how to use the framework including fact sheets and case studies.