

Social Procurement Strategy

2023-25

Department of Families, Fairness and Housing

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Acknowledgment of Country

The Department of Families, Fairness and Housing proudly acknowledges the Traditional Owners of the lands across Victoria and pays its respects to all First Peoples. This is Aboriginal land, always was, always will be. We recognise and value the ongoing contribution of Aboriginal people and communities to Victorian life.

1 Context

Victoria's Social Procurement Framework (SPF) was launched on 28 April 2018. It enables government to use its buying power to generate social value above and beyond the value of the goods, services or construction by maximising social, economic, and environmental benefits for all Victorians and opportunities for Victorian jobs. The SPF puts social and sustainable outcomes at the centre of government procurement.

Information about the SPF and related documents can be found at <https://www.buyingfor.vic.gov.au/victorias-social-procurement-framework>

In accordance with the requirements of the SPF, each department and agency are required to prepare a Social Procurement Strategy (SPS). This document is the department's SPS, and it addresses how the Department of Families, Fairness and Housing (DFFH) will implement the SPF. The SPS has been developed in consultation with the department's Social Procurement Group and is informed by the SPF, the department's strategic priorities, and analysis of procurement spend and opportunities for increasing social value. The SPS applies to all procurement activities of the department, and portfolio entities and agencies supported by the department including Homes Victoria, Respect Victoria, Commission for Children and Young People and the Victorian Disability Worker Commission.

This 2023-25 SPS will be implemented in alignment with the Victorian Governments' Social Enterprise Strategy 2021-2025 and Inclusive Employment Framework, as well as the DFFH Victorian Aboriginal Procurement Target Implementation Plan. The SPS will be published on the department's internal social procurement intranet page and on the department's external facing internet site.

The DFFH Procurement Committee includes Executive Officer representatives from across the department including Homes Victoria and the Chief Procurement Officer who is also the Director, Procurement, Concessions and Contract Services. The Committee receives regular reports about social procurement implementation and will consider implementation issues where necessary.

2 Department Business Strategy

The Department of Families, Fairness and Housing (DFFH) empowers communities to build a fairer and safer Victoria.

Our department works to create a more inclusive society, one in which people feel safe and can take part equally. We do this by everyday by supporting people and communities to have equitable access to opportunities, overcome struggles and hardships, and recover from adversity.

Our department oversees the portfolios of housing, child protection, disability, ageing and carers, prevention of family violence, women, veterans, youth, multicultural affairs and LGBTIQ+ equality. In delivering across these portfolios, we work every day to achieve a fairer, safer and more inclusive Victoria. We support people so they can feel empowered, safe and secure.

Our department funds agencies, delivers services directly and works with commissions, peak bodies and other community organisations to provide a range of advice and supports. We work across the Victorian Government and with other governments in Australia to give high-quality and informed advice.

Homes Victoria was established in November 2020 as a repositioned Director of Housing. It was established to support Victorians to access secure, stable and affordable housing. It manages the more than \$26 billion in existing housing assets. It was also established to implement Victoria's historic \$5.3 billion Big Housing Build program (BHB), which is delivering over 12,000 new dwellings in the next four years. Lastly, Homes Victoria's role is to act as a steward for the housing system and ensure that it has a sustainable system that continues to deliver social and affordable housing. Homes Victoria is committed to leveraging its expenditure to create improved community outcomes, such as jobs and training opportunities, through procurement expenditure.

As highlighted within the DFFH Strategic Plan (August 2021), the department works to create a more inclusive society, one in which people feel safe and take part equally. Our outcome goals are:

- Children, young people and families are safe, strong and supported.
- Victorian communities are safe, fair, inclusive and resilient.
- All Victorians have stable, affordable and appropriate housing.
- Aboriginal voice, knowledge and cultural leadership drive Aboriginal policy, legislation and system reform.
- Our systems are high performing and responsive, meeting the needs of all Victorians.

The significant potential of procurement to achieve broader social, economic and environmental policy objectives is understood and will be promoted and supported through implementation of this SPS.

Social procurement will have the positive impact of building strong and resilient communities and facilitating the transformative role of employment in addressing disadvantage. It fully aligns with the DFFH Strategic Plan (August 2021) and our outcome goals.

3 Procurement profile

This is a summary of the department's procurement profile based on its unique procurement needs and requirements. This section, and most other sections in the SPS, are divided into goods and services procurement and construction (works and services) procurement. These two types of procurement occur under different legislation and are organised and resourced separately within the department.

The Procurement, Concessions and Contract Services unit is responsible for goods and services (non-construction) procurement. Homes Victoria is responsible for the procurement of construction works and construction services.

3.1 Goods and Services

The department successfully operates a centre-led goods and services Procurement team that is led by the department's Chief Procurement Officer. The governing legislation is the *Financial Management Act 1994*.

The team supports department staff when undertaking procurement and/or contract management actions and in 2021-22 processed over 435 procurements of varying complexity.

The strength of the team is underpinned by department's commitment to compliance with Victorian Government Purchasing Board (VGPB) supply policies, supported by the Secretary as the department's Accountable Officer, and Executive Board down. Supporting this is a highly coordinated, mature central business operation in the Procurement, Concessions and Contract Services unit (PCCS) of the Corporate and Delivery Services Division. The PCCS unit supports the department's business units and is committed to customer service, driving compliance, best practice and achieving value for money outcomes.

Under this strategy, conversations and communications with staff regarding their procurement jobs will focus on compliance with the Strategy, its impact on each procurement job and the potential to deliver social and sustainable outcomes.

The department's main goods and services spend categories are:

- Business Support Services – Non-ICT, approximately 55%, which comprises sub-categories such as security, training, utilities, and equipment.
- Business Support Services – ICT, approximately 14% of goods and services spend, which comprises a range of information, communications, and technology sub-categories.
- Professional Services, approximately 29%, which comprises a range of consulting and advisory sub-categories, and Client Support Services, which comprises medical and support services for clients.

3.2 Public Construction

Homes Victoria is responsible for managing more than \$34.6 billion in housing assets that currently house over 116,000 Victorians. It is also responsible for overseeing delivery of key initiatives, including the BHB and the Building Works Stimulus Package (\$528 million) in addition to an annual base program of maintenance and upgrade.

Big Housing Build (\$5.3 billion)

Funded in the 2020/21 Victorian Budget, the BHB will deliver \$5.3 billion investment across Victoria, including:

- \$1.89 billion building new homes on Director of Housing Land
- \$778 million partnerships with the private and community housing sectors
- \$1.38 billion for the Social Housing Growth Fund to deliver community housing developments in partnership with community housing sector
- \$948 million for spot purchasing and public private partnership.

The BHB will construct more than 12,000 new homes throughout metro and regional Victoria, including:

- 9,300 social housing dwellings, replacing 1,100 old public housing units
- 2,900 affordable and low-cost homes in locations that are close to jobs and transport

The BHB will provide housing for

- 2,000 more Victorians living with mental illness
- As many as 1,000 victim survivors of family violence
- 10 per cent of net social housing growth will be allocated to Aboriginal Victorians.

The investment will help create 10,000 jobs per year over the four years, with 10 per cent of the work on major projects to be done by apprentices, cadets and trainees in line with the Major Projects Skills Guarantee. In accordance with the Local Jobs First policy, at least 90 per cent of content (goods, services and construction activities) must be produced within Australian and New Zealand.

Building Works Stimulus Package (\$528 million)

In addition to the BHB, Homes Victoria is delivering a record investment of \$528 million in new construction, upgrades and maintenance to existing housing. This initiative also provides additional funding to accelerate the ongoing social housing capital upgrade program, including the enhanced gas heater servicing and replacement programs.

Funded in the 2020-21 Victorian State Budget, the stimulus package targets:

- \$155 million for maintenance and upgrade works to more than 15,000 public housing properties
- \$115 million rapid housing response for Aboriginal Victorians, people experiencing homelessness and those leaving State Government services
- \$10 million to accelerate and increase a range of new and existing activities to support women and children escaping family violence
- \$110 million for renovations including kitchens and bathrooms in 2,100 public housing properties to improve liveability
- \$58m to deliver new social housing in Reservoir, Balaclava, Dandenong and Hampton Park
- \$50 million for community housing providers to undertake similar maintenance and upgrade works on social housing properties they manage or own.
- \$30 million for Specialist Disability Accommodation maintenance and minor upgrade program

The asset investment program is regulated by the *Housing Act 1983* and the *Project Development and Construction Management Act 1994*, along with associated Ministerial Directions and Instructions.

Big Housing Build regional spend

The Big Housing Build will invest 25 per cent of the total \$5 billion program across regional Victoria. This will provide \$1.25 billion across regional Victoria.

Building social and affordable housing in regional Victoria responds to the increasing population in Victoria’s growth areas and creates more rental housing to support employment growth in regional towns and cities.

The Big Housing Build provides a Minimum Investment Commitment to regional local government areas that have a significant regional town or city or have high population growth. 18 local government areas have been identified for the Minimum Investment Guarantee, with \$765 million committed across these local government areas.

Homes Victoria will work to identify projects in regional Victoria for the allocation of the \$485 million not yet committed to local government areas through the Minimum Investment Guarantee. Some example of a regional are:

- \$50.3 million investment in the development at Delacombe, Ballarat to renew and revitalise the area.
- \$10 million investment in the Benalla West Estate, 2.5km west of central Benalla. The project’s goals include improving housing, public areas and connections with the surrounding community.

4 Social Procurement Opportunity Analysis

This opportunity analysis includes both direct and indirect approaches to social procurement, that is, procurement from Victorian social enterprises, Victorian Aboriginal businesses, or other social benefit suppliers, or delivery of social and sustainable outcomes through contracts with the private sector.

The SPF requires that government buyers incorporate social procurement into all procurement planning. A social procurement plan will be completed for all procurements valued at \$20 million dollars or more, in collaboration with the Social Procurement Assurance team at the Department of Treasury and Finance. For other procurements social procurement will be included in regular procurement planning.

For department specific requirements the SPF establishes requirements for government buyers based on four expenditure bands in Table 3 on page 19 of the SPF, which is summarised as follows:

	Below threshold Regional under \$1 million; Metro or State-wide under \$3 million	Lower band Regional \$1 million to \$20 million; Metro or State-wide \$3 million to \$20 million	Middle band \$20 million to \$50 million	Upper band Over \$50 million
Described approach	Encouraged Seek opportunities where available to directly or indirectly procure	Proportionate Use evaluation criteria (5 to 10 per cent weighting) to favour	Targeted Include performance standards and contract requirements	Strategic Include targets and contract requirements that pursue social and

<p>from social enterprises, Australian Disability Enterprises (ADEs) or Aboriginal business</p> <p>Evaluation Criteria can be used to favour businesses whose practices support social and sustainable objectives</p>	<p>businesses whose practices support social and sustainable objectives</p>	<p>that pursue social and economic objectives</p>	<p>sustainable objectives</p>
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4.1 Goods and Services

During 2021-22 Financial Year the department executed 330 contracts (value: \$ 95.65 million).

The 330 contracts for services were either sourced through existing State Purchase Contracts or through individual sourcing strategies.

Services Contracts 2021-22

Value Range	State Purchase Contracts	Individual Sourcing
\$0 to \$250,000	67	221
\$250,001 to \$1 million	11	20
\$1 Million to \$3 million	3	5
\$3 million - \$20 million	0	2
Over \$20 million	0	1
Total	81	249

As can be seen from the above table, most goods and services procurements fall within the SPF 'Below Threshold' (Regional under \$1 million and Metro or State-wide under \$3 million band).

The SPF approach for this band is “Encouraged – Seek opportunities where available to directly or indirectly procure from social enterprises, Australian Disability Enterprises (ADEs) or Aboriginal business”.

Many of these contracts are for knowledge-based services at a state-wide level, e.g., an organisation review, a needs study, a feasibility study or a service review and as can be seen from the data above a large number of contracts are valued at less than \$250,000.

To streamline and facilitate direct social procurement an upper threshold for a single quote procurement process with an approved social enterprise supplier has been established, subject to validation of value for money. This strategy facilitates greater use of a direct, targeted sourcing from approved social enterprise suppliers, where a suitable supplier can be identified.

A social procurement requirement will be included in all market approaches for procurements which require a contract. The department has introduced social or sustainable criteria for knowledge-based service procurements over \$150,000.

A goods and services social procurement plan template has been developed based on the template provided in the SPF – Buyer Guidance, *Guide to planning requirements*. A social procurement plan will be completed for all procurements valued at or above \$20 million, in collaboration with the Social Procurement Assurance team at the Department of Treasury and Finance.

In the department, goods and services procurements which require a contract are undertaken through the Procurement, Concessions and Contract Services unit. Most procurement activities must be registered by business owners, that is, departmental staff who wish to procure a good or service, on the department's Procurement Job Management System (PJMS). A Procurement Officer is allocated to guide and assist the business owner with the procurement process.

This centre-led, planning based approach will enable the department to systematically implement social procurement.

It is mandatory for a General Procurement Plan to be completed for all non-State Purchase Contract procurement activity greater than \$250,000, or deemed high risk, and for all State Purchase Contract procurements greater than \$1 million (excluding Master Agency Media Services), or if not following State Purchase Contract rules.

The General Procurement Plan template includes planning for social procurement. At this planning stage decisions will be made regarding the approach to take to enable social procurement including:

- Whether an encouraged, proportionate, targeted or strategic approach is required.
- The application of social procurement sourcing tactics listed in Table 5 of the SPF.
- The feasibility of approaching social enterprises, disability, aboriginal or women owned businesses to submit a bid.
- Methods of alerting the above types of businesses to an advertised procurement.
- Inclusion of weighted Key Selection Criteria on social and/or sustainable objectives in approach to market documents, if appropriate.
- Identify if there are any opportunities for suppliers to provide entry level jobs, apprenticeships or traineeships.
- For procurements at/or greater than \$20 million, a Social Procurement Plan will be completed in conjunction with the Social Procurement Assurance team in the Department of Treasury and Finance. The plan will then be implemented.

Approach to market templates and contract templates, Risk Plan, Contract Management Plan, and Contract Evaluation report templates include social procurement implementation requirements. The Contract Management Plan and Risk Plan will facilitate monitoring and accountability of the implementation of social procurement objectives.

Each contract has a specific contract manager appointed. It is mandatory for all contract managers to complete the department's on-line contract management course which includes information about social procurement.

To promote awareness in the market of available government procurement opportunities procurement publishes forward notices of upcoming procurement via the Procurement Activity Plan. This approach promotes competition and allows potential tender participants to plan for and allocate resources to participate in the procurement process.

This holistic approach will enable the department to champion social procurement and lead by example by working closely with all suppliers to deliver social and sustainable outcomes wherever practicable, and Social procurement requirements will be embedded in advice on the procurement process cycle.

In any given financial year at least 25 per cent of goods and services expenditure is via State Purchase Contracts. As noted on page 25 of the SPF central agencies (i.e., Departments of Treasury and Finance and Premier and Cabinet) are responsible for the establishment and contract management of State Purchase Contracts which over time will be adapted to embed the SPF objectives.

The department will work with central agencies regarding the revision of State Purchase Contract arrangements to facilitate social procurement and will also identify opportunities for social procurement within existing contracts.

Homes Victoria's goods and services procurement that are supported by the central procurement team and completed under the VPGB policy framework will use the tailored Homes Victoria social procurement response schedules in the engagement to ensure the Homes Victoria social procurement objectives are included in these engagements.

4.2 Public Construction

Homes Victoria is responsible for the procurement of Public Construction works and services, and will work with suppliers to ensure that, where appropriate, principal contractors consider social procurement objectives.

Homes Victoria considers social procurement in the development of the department's future capital planning. Procurement activities are recorded either in the Housing Integrated Information Program (HiIP) system with appropriate provisioning for staff in accordance with the Housing Act Instrument of Delegation, or in the new state governments social procurement reporting platform; the Victorian Management Centre (VMC).

Homes Victoria maintains a document management system to assist staff with procurement processes. Key procurement documents have been updated to capture social procurement requirements.

To promote awareness in the market of available government procurement opportunities, Homes Victoria publishes forward notices of all upcoming tenders for Works or Construction Services. This approach promotes competition and allows potential tender participants to plan for and allocate resources to participate in the tender process per Ministerial Direction 5 and in accordance with Ministerial Instruction 5.1. The data is publicly available at <https://buyingfor.vic.gov.au>

Ministerial Directions for Public Construction Procurement in Victoria (MD) require that approved construction contracts valued over \$100,000 are publicly disclosed on <https://buyingfor.vic.gov.au>

When conducting selective tendering in accordance with Ministerial Direction 3.2, tenderers are selected from the Construction Supplier Register (CSR), the Whole of Victorian Government (WoVG) register managed by the Department of Treasury and Finance (DTF). The department complies with existing policies around employment of apprentices and local supplier content and works with central agencies to examine how large construction projects can meet social procurement goals.

DTF works with representative bodies such as Kinaway and Social Traders to promote CSR registration to their members.

All construction procurement activities comply with current Ministerial Directions. High Value High Risk (HVHR) projects are governed by project specific steering committees that are established and disbanded as required. If the project value exceeds \$10 million (inclusive of GST) or is otherwise considered to be complex or high risk, a probity plan must be prepared.

BHB delivery channels opportunity analysis

There are four delivery channels for delivery of the BHB with differing opportunities to embed social procurement:

- Stream 1 (\$1.86 billion) – New developments on Director of Housing land
- Stream 2 (\$753 million) – Community housing and other partnership development on Victorian Government land
- Stream 3 (\$1.35 billion) – Building on the Social Housing Growth Fund to provide capital grants to the sector
- Stream 4 (\$923 million) – Spot purchases and partnerships on developments

It is anticipated that there is limited opportunity to implement social procurement in relation to houses sourced through the market due to the inherent nature of spot purchases, however there is much larger scope to embed social procurement requirements within projects delivered on government land or through the Social Housing Growth Fund. We note that social procurement is not required in the SPF to be implemented through grants, however, Homes Victoria has chosen to do so through the Social Housing Growth Fund given the magnitude of investment.

To assist contractors and suppliers in achieving their employment and training targets for procurement projects valued at \$20 million and above, Homes Victoria is working with Jobs Victoria and relevant partners to coordinate improved employment outcomes for disadvantaged job seekers and Homes Victoria suppliers.

Building from the longstanding work of the Public Tenant Employment Program (PTEP), Homes Victoria will embed employment targets through the social procurement requirements for disadvantaged Victorians, including renters from public and community housing, and support outcomes through targeted inclusive employment initiatives.

Employment targets will also link with the relevant Building Equality Policy and the Local Jobs First Major Projects Skills Guarantee (MPSG) apprentice, trainees and cadets.

5 Priority Objectives and Outcomes

The SPF includes seven social procurement objectives and outcomes and four sustainable procurement objectives and outcomes. On page 18 of the SPF, it is noted that the Government does not expect that every procurement to pursue all recommended actions. Government buyers are expected to decide which social and sustainable objectives are to be pursued and prioritised in each procurement. The Department of Families, Fairness and Housing is required to report on the achievement of these specific objectives and outcomes.

The four social procurement priority objectives that have been chosen for both Goods and Services and Public Construction align with DFFH and Homes Victoria's strategic direction, priorities and based on potential opportunities. As per the objectives, there is a strong focus on aboriginal self-determination, women's equality and safety, creating opportunities for Victorians with disability and creating opportunities for disadvantaged Victorians with a focus on social housing renters, asylum seekers and refugees and people on the Victorian Housing Register. DFFH and

Homes Victoria's procurements will be leveraged to create social benefits in these four priority objectives.

Although the DFFH and Homes Victoria have set priority social procurement objectives and have implemented these throughout procurement documentation/practices, should a particular procurement lend itself to one of the remaining non-priority objectives it will be considered on a case-by-case basis.

5.1 Goods and Services

The following objectives have been prioritised for goods and services procurement, consistent with the department's strategic direction and based on potential opportunities.

Social procurement objectives	Outcomes sought
Opportunities for Victorian Aboriginal people	Purchasing from Victorian Aboriginal businesses Employment of Victorian Aboriginal people by suppliers to the Victorian Government
Opportunities for Victorians with disability	Purchasing from Victorian social enterprises and Australian Disability Enterprises Employment of people with disability by suppliers to the Victorian Government
Women's equality and safety	Adoption of family violence leave by Victorian Government suppliers Gender equality within Victorian Government suppliers
Opportunities for disadvantaged Victorians	Purchasing from Victorian social enterprises and employment for: <ul style="list-style-type: none"> o Social housing renters o Asylum seekers and refugees o People on the Victorian Housing Register

5.2 Public Construction

The following objectives have been prioritised for construction procurement and based on potential opportunities identified by Homes Victoria. The proposed priority objectives align with policy priorities including Homes Victoria's commitments to:

- Women's equality and safety through its Gender Equity Plan, the BHB commitment to delivering 1,000 homes for family violence victim survivors and recognising the Victorian Government's *Gender Equality Act 2020* and Women in Construction Strategy
- Aboriginal self-determination evidenced through Mana-na woorn-tyeen maar-takoort (Victorian Aboriginal Housing and Homelessness Framework), Tharamba Bugheen (Victorian Aboriginal Business Strategy) and the commitment that 10 per cent of the BHB developments are targeted at Aboriginal housing

- Social housing renters as employment, alongside housing, is a critical foundation for Victorians to build their lives
- Migrants, asylum seekers and refugees recognising that many social housing renters comes from culturally diverse backgrounds
- People with a disability recognising Homes Victoria's role in providing Specialist Disability Accommodation

These commitments were acknowledged in the BHB announcement:

“Because we want to front-up to the inequalities that have seen women lose more and earn less throughout this pandemic, we will have a gender equity plan to get more women into construction. We’ll also create hundreds of new jobs for Aboriginal Victorians, people with disability, social housing tenants and people from diverse backgrounds.”

Social procurement objectives	Outcomes sought
Women's equality and safety	Adoption of family violence leave by Victorian Government suppliers Gender equality within Victorian Government suppliers
Opportunities for Victorian Aboriginal people	Purchasing from Victorian Aboriginal businesses Employment of Victorian Aboriginal people by suppliers to the Victorian Government
Opportunities for disadvantaged Victorians	Purchasing from Victorian social enterprises and employment for: <ul style="list-style-type: none"> o Social housing renters o Asylum seekers and refugees o People on the Victorian Housing Register
Opportunities for Victorians with disability	Purchasing from Victorian social enterprises and Australian Disability Enterprises Employment of people with disability by suppliers to the Victorian Government

6 Targets

The best way to achieve our objectives is to have clear targets which create an environment of accountability both internally and for our contractors and suppliers. The DFFH social procurement targets are listed below for goods and services procurement and construction procurement.

6.1 Goods and Services

The following targets have been established for goods and services expenditure:

- Social or sustainable selection criteria are included in knowledge-based service procurements valued at over \$150,000 to increase the number of social benefit suppliers contracted for this type of work.
- Procurement processes include streamlined processes for the engagement of Aboriginal business or Australian disability enterprise to increase the number of social benefit suppliers contracted.
- Spend at least one per cent of total expenditure with Aboriginal owned businesses.
- Increase expenditure with social enterprise suppliers by at least 10 per cent.
- Purchase at least five per cent of stationary via the State Purchase Contract from Aboriginal businesses.
- Where possible purchase from social benefit suppliers via other State Purchase Contracts.
- Double the number of procurement contracts which include at least one social procurement objective and outcome.

6.2 Public Construction

Homes Victoria is committed to leveraging its significant spend on the existing public housing stock and the delivery of new dwellings through the BHB. Through effective and consistent social procurement approach, Homes Victoria aims to:

- Generate social value and inclusive change above the value of the goods and services procured, noting the size and scale of the BHB investment.
- Ensure that the jobs created by the BHB and other programs of expenditure are shared equitably among Victoria's jobseekers and community.
- Demonstrate leadership in social procurement and drive inclusive employment outcomes for the communities that we serve.
- Link suppliers to the relevant support systems and programs to build successful and enduring outcomes.

Homes Victoria has applied social procurement to its procurement processes since its inception, however, opportunities for improvement were identified. Homes Victoria has refined and consolidated its social procurement requirements and supporting documentation. This new standardised approach provides consistency and clarity for suppliers and contract managers; and clarifies any overlaps with other government procurement policies (e.g., the Local Jobs First Policy).

Homes Victoria social procurement requirements may be delivered through a combination of:

- **Inclusive workplace practices:** Adoption of employment practices that support the inclusion and safety of people in the workplace. This can include plans and strategies, work flexibility and leave policies, workplace safety and cultural safety practices and employment targets.
- **Social benefit spend:** Project spend with one or more social benefit suppliers. For example, a Victorian Aboriginal owned business, Social Enterprise or Australian Disability Enterprise.
- **Inclusive employment:** Project labour hours delivered by priority cohorts (i.e., Victorian Aboriginal people, Victorians with a disability, and disadvantaged Victorians, including social housing renters).
- **Women's equality and safety commitments:** Offering family violence leave, flexible working arrangements, targets to increase the number of women on the organisation's board, etc.

Below is a table of Homes Victoria social procurement requirements that was introduced on 1 July 2022:

Contracts below \$1m regional/ \$3m metro/state-wide	For all contracts above \$1m regional, \$3m metro/state-wide and below \$20m	For all contracts above \$20m
5% weighting	5 -10% weighting	10% weighting
<p>At this contract value, the 5% weighting is available to social benefit suppliers only.</p> <p>For procurement below \$150,000 only one quote is required if the supplier is a social benefit supplier. Please note this option is only available to goods and services procurement being processed under the Financial Management Act.</p>	<p>Suppliers <u>must</u> demonstrate: their existing and planned commitments to inclusive employment practices.</p> <p>Suppliers <u>may</u> strengthen social procurement rating by demonstrating commitments to:</p> <p>employment of priority cohorts, and/or project spend through social benefit suppliers.</p> <p>Social benefit suppliers automatically attract a 5% weighting for the overall social procurement weighting.</p>	<p>Suppliers <u>must</u> demonstrate:</p> <p>their existing and planned commitments to inclusive employment practices</p> <p>how priority cohorts to perform a combined minimum of 5% of total project labour hours through direct employment or indirect employment</p> <p>how social benefit suppliers will deliver minimum 2.5% of total project spend</p> <p>a commitment towards 50% women on the board and senior management team. At a minimum, the supplier is required to increase women on the Board and senior management by 10 percentage points over four years.</p> <p>For construction contracts only, the Building Equality Policy also applies.</p>

7 Roles and responsibilities

As noted in the SPF – Buyer Guidance, *Guide to mandatory planning requirements*, the term ‘government buyer’ means the individual(s) responsible for planning, sourcing, and/or approving the goods, services or construction being procured by a department or agency. Department-wide roles and responsibilities are listed below.

Secretary and Executive Board

The Secretary, Department of Families, Fairness and Housing is the Accountable Officer responsible for the development and implementation of the department’s Social Procurement Strategy, for reporting on social procurement activity in departmental and agency Annual Reports, and for contributing to the whole of Victorian Government aggregated Social Procurement Framework Annual Report.

Deputy Secretary, Corporate and Delivery Services and Chief Executive Officer Homes Victoria, supported by all Deputy Secretaries, Chief Executive Officers and the Chief Procurement Officer

The Deputy Secretaries of Corporate and Delivery Services and Homes Victoria will monitor progress of social procurement implementation with the support of Deputy Secretaries and Chief Executive Officers facilitated by the Chief Procurement Officer.

Procurement Committee, Department of Families, Fairness and Housing

The Procurement Committee comprises membership at the executive level and is chaired by Deputy Secretary, Corporate and Delivery Services. Members are involved through formal scheduled meetings and voting on ad hoc out-of-session matters throughout the year. While the committee is primarily concerned with goods and services procurement, membership of the Committee includes a representative from Homes Victoria. Oversight of the implementation of the department's Social Procurement Strategy will be provided by the Procurement Committee.

Social Procurement Group

Representatives from the Procurement, Concessions and Contract Services unit and Homes Victoria will meet regularly to consider the enhancement of social procurement implementation, support internal communications about social procurement and contribute to strategy development.

7.1 Goods and Services

Procurement, Concessions and Contract Services

Director/Chief Procurement Officer

The Director - Procurement, Concessions and Contract Services, is also the department's Chief Procurement Officer and is primarily responsible for:

- ensuring that the department meets legislative and policy obligations when procuring and managing goods and services
- procurement strategy, policies, systems and processes and
- supporting procurement, tendering and contract management.

The Chief Procurement Officer will also coordinate implementation of this Social Procurement Strategy across the department by leading awareness raising activities so that staff understand department's Strategy and procure in accordance with the SPF as outlined in this Strategy.

The Chief Procurement Officer will endorse each Social Procurement Plan for goods and services procurement after the Social Procurement Assurance team from the Department of Treasury and Finance has provided input. Construction buyers will be supported with advice or review upon request with the relevant financial delegate or project sponsor approving the plan.

Procurement Governance and Strategy Team

This team is responsible for monitoring and resourcing the implementation of VGPB policy and governance requirements and will:

- undertake supplier engagement activities for goods and services procurement
- develop and implement communication methods to ensure that the requirements of the SPF and this strategy are understood
- amend internal goods and services procurement templates and corporate processes to embed SPF considerations into all procurement processes

- support Procurement Officers to work with Business Owners to implement social procurement
- collect data from procurement documentation and liaise with finance to enable reporting on the department's social procurement achievements in the department's Annual Report as well as reporting to DTF, and
- develop education and training activities to raise the level of social procurement capability across the department.

Procurement Officers

Procurement Officers guide business owners (government buyers) through the procurement process and provide advice on contract management. This will include the department's Social Procurement Strategy. They will provide advice and support to individual business owners, to ensure that proposed procurements being presented for approval address the requirements of this strategy.

Government Buyers (Business Owners)

These are staff from throughout the department who want to buy goods and services. Procurement Officers and Business Owners will work together to implement social procurement during the procurement process by establishing social procurement objectives and outcomes for the procurement, considering how to engage Victorian social enterprises, Victorian Aboriginal businesses, or other social benefit suppliers in the approach to market and when required completing and implementing a social procurement plan.

Financial Delegates

Financial delegates are responsible for budget, confirm what is to be procured and approving procurement expenditure.

Contract Managers

The appointed Contract Manager is responsible for managing the implementation of the contract and ensuring that goods and services are received in line with terms of the contract. Contract managers are responsible for monitoring social procurement implementation during the term of the contract, addressing risks and issues that arise in relation to social procurement and reporting on social procurement via the Contract Evaluation Report template as required.

7.2 Public Construction

Homes Victoria, Housing Policy Branch:

- Housing Policy lead development and implementation of a consistent approach to social procurement across Homes Victoria including development of policy, advice and support to branches within Homes Victoria, delivery of training internally and supplier engagement externally.
- Tailor Homes Victoria social procurement projects and pilots to address gaps and strengthen interventions for social housing renters
- Work with delivery branches to develop contracts and relationships with contractors to ensure social procurement obligations and employment opportunities are made available to social housing renters and other disadvantaged jobseekers.
- Coordinates monitoring and reporting of social procurement across Homes Victoria

Project Managers / Contract Manager (across Homes Victoria)

- Include appropriate clauses and supporting information in tender documents to notify prospective tenderers of Homes Victoria's social procurement requirements and support available to assist in developing program tender requirements.
- Work with contractors to ensure employment opportunities are made available to suitable social housing renters and other priority jobseekers, and through project spend via Victorian Aboriginal businesses, social enterprises and Australian Disability Enterprises
- Support the outcomes, monitoring and reporting requirements of all Homes Victoria social procurement.

Financial Delegates

- Financial delegates are responsible for budget, confirm what is to be procured and approving procurement expenditure.

Public Construction Procurement Advisor

- Provide strategic advice, guidance, leadership and support on public construction procurement requirements.

8 Capability Development Plan

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 in accordance with this strategy.

Capability development progress will be monitored by the Deputy Secretary, Corporate and Delivery Services and Chief Executive Officer Homes Victoria, with the support of Deputy Secretaries and Chief Executive Officers, facilitated by the Chief Procurement Officer.

The department has subject matter expertise, and practice experience regarding social and economic disadvantage, Aboriginal issues, family violence, disability, environmental management, housing including construction and maintenance, and community services. This wide range of expertise will be utilised as needed to inform social procurement implementation in this department.

The Social Procurement Capability Self-Assessment template has been completed for both goods and services and construction procurement and will be updated with the review and revision of the next strategy.

8.1 Goods and Services

Social procurement capability development for goods and services procurement consists of the following activities.

Procurement Officers

- Social procurement is a regular agenda item at Procurement Officers' meetings.
- Access to comprehensive information about social procurement, including the Social Procurement Strategy, is available via the department's intranet and as well as information about the DTF Social Procurement Assurance function and Jobs Victoria.
- Procurement Officers have input to the creation and revision of templates used by business owners to ensure that they are practicable.

- Information on social procurement is included in the procurement standard operating procedures used by procurement officers and includes information about the DTF Social Procurement Assurance function and Jobs Victoria.
- Information is provided to Procurement Officers about requirements for procurements valued at \$20 million and above including the DTF Social Procurement Assurance function which they will communicate to government buyers (business owners).
- Key templates will be reviewed to strengthen the focus on priority objectives.

Government Buyers (Business Owners)

- A comprehensive, dedicated social procurement page on the department's intranet includes information about social procurement and links to Victoria's Social procurement Framework, the department's Social Procurement Strategy, the Buying for Victoria website, the Jobs Victoria website, and websites such as Social Traders where business owners can source social enterprise suppliers.
- The on-line procurement training course and mandatory contract management course include information about social procurement.
- Information about the support Jobs Victoria can give to suppliers is available on the DFFH intranet.
- Updated information and guidance material will be developed for the social procurement page on the priority social procurement objectives.
- Social procurement information, advice and guidance is provided to government buyers (business owners) by Procurement Officers.
- Social procurement requirements are included in procurement templates and resources used by government buyers (Business Owners). Approach to market templates include reference to the support offered to suppliers by Jobs Victoria.
- A flyer will be included in the approach to market documents on social procurement support available e.g., information about Social Traders and Jobs Victoria.
- The procurement plan template will be updated to ask targeted questions to ensure engagement with the DTF Social Procurement Assurance team occurs. Procurements valued at \$20 million dollars and above will be identified via the procurement planning process.
- Procurement Officers are supporting business owners to include social procurement requirements in procurement plans.
- For procurements valued at \$20 million a social procurement plan will be completed with support from the DTF Social Procurement Assurance team and a procurement officer.

Tenderers:

- Advice will continue to be provided to potential tenderers on social procurement in Request for Tender/Expression of Interest documents
- Briefings will be provided to suppliers in relation to the specific requirements for each tender
- Briefings providing feedback on social procurement criteria and responses after tenders have been awarded and outcomes communicated as part of ongoing engagement and communication with tenderers

Contract Managers

- The department's social procurement intranet page provides access to comprehensive information about social procurement and links to social procurement resources and information.
- The department's mandatory on-line contract management training course includes information about social procurement.
- Information about social procurement is included in the Contract Management Guide on the department's intranet.
- All templates and resources used by contract managers will be reviewed to strengthen social procurement information.
- Information about social procurement is included in the department's mandatory on-line contract management course.
- A contract manager can obtain advice about social procurement from a Procurement Officer on request.

All staff

- Goods and services and construction procurement staff both attend the WOVG Procurement Officers meetings organised by the Department of Treasury and Finance which are focused on government policy and priorities, capability development and information sharing.
- Goods and services and construction procurement staff both attend the WOVG Social Procurement Community of Practice meetings organised by the Department of Jobs, Skills, Industry and Regions.
- The Procurement eLearning course available to all staff includes information on social procurement and local jobs first.
- A business case will be made for the development of a social procurement on-line training course.
- A business case will be made for the establishment of an annual social procurement forum.

8.2 Public Construction

The following communication, education and program development activities will be undertaken to enhance social procurement capability in construction procurement.

Project Managers:

- Project staff will access up-to-date information regarding the SPF, Homes Victoria social procurement requirements, the DFFH social procurement strategy and DFFH social procurement reporting through the intranet
- Project staff will access up-to-date templates for Invitations to Supply, Returnables Schedules, Tender evaluation and guidance materials on the intranet
- Information sessions with Homes Victoria Social Procurement and Inclusion team, SPF team from Department of Jobs, Skills, Industry and Regions and Department of Treasury and Finance will be scheduled for project staff
- Training on the Industry Capability Network's Social Procurement Reporting platform will be made available to project managers

- The Social Procurement and Inclusion team in Strategy, Partnerships and Governance branch will provide ad hoc advice and support to project managers on tenders and evaluations

Tenderers:

- Advice will continue to be provided to potential tenderers on social procurement in Request for Tender/Expression of Interest documents
- Briefings will be provided to suppliers in relation to the specific requirements for each tender
- Briefings providing feedback on social procurement criteria and responses after tenders have been awarded and outcomes communicated as part of ongoing engagement and communication with tenderers
- Regular education and engagement events with suppliers will be scheduled to continue to educate suppliers on Homes Victoria's aspirations for social procurement, hear success stories and connect suppliers with diverse jobseekers, social enterprises and Aboriginal businesses

General:

- Information about social procurement will be added to relevant asset business cases
- All Homes Victoria delivery teams will be expected to attend information sessions on social procurement

All staff:

- All staff will be able to access up-to-date information regarding the SPF, the DFFH social procurement strategy and DFFH social procurement reporting through the Intranet

9 Supplier Engagement Plan

Supplier engagement progress will be monitored by the Deputy Secretary, Corporate and Delivery Services and Chief Executive Officer Homes Victoria, with the support of Deputy Secretaries and Chief Executive Officers, facilitated by the Chief Procurement Officer

Section two of the SPF summarises pathways for staff to access social enterprises and other similar suppliers. This information is relevant to both goods and services and construction procurement and staff can access the SPF on the department's intranet.

The SPF also encourages the employment of disadvantaged Victorians by suppliers, to maximise the positive employment outcomes they can provide. The range of employment programs supported through Jobs Victoria present a strategic mechanism through which suppliers can leverage from existing Government programs to support more job seekers at risk of being left behind into work.

Information about Jobs Victoria is provided to government buyers and suppliers via Procurement Officers providing advice to government buyers and suppliers, and via the DFFH and Homes Victoria intranet and websites.

9.1 Goods and Services

Goods and services supplier engagement consists of the following activities which focus on sourcing and engaging social enterprises, Aboriginal owned businesses, Australian Disability Enterprises and any other relevant social benefit suppliers. The intention is to increase direct social procurement via contracting and indirect social procurement via sub-contracting.

The social procurement page in the department's intranet provides access to social enterprises and other social benefit suppliers via direct links to the:

- Victorian Government supplier data base Vendor Panel.
- Social Traders buyer portal.
- The supplier directory on the website of Kinaway the Victorian Aboriginal Chamber of commerce.
- The website of Supply Nation which supports Aboriginal and Torres Strait Islander businesses.
- The Australian Disability Enterprises directory on the BuyAbility website.
- Jobs Victoria website.

This will enable Government Buyers (Business Owners) to directly access information about a wide range of social enterprise and other suppliers relevant to social procurement.

The contractual advisory relationship with Social Traders will be maintained and will continue to be a source of expert advice on social procurement and social enterprises.

Supplier engagement will be considered in the procurement planning process when a Procurement Plan and, also when a Social Procurement Plan is developed via support provided by the Procurement Governance and Strategy team.

Procurement processes will be updated to ensure government suppliers are made aware of the support that Jobs Victoria can provide through specialist employment and training providers that can connect suppliers with women and young people.

As Procurement Officers play a critical role in goods and services procurement, they will be supported to guide Government Buyers (Business Owners) regarding supplier engagement via social procurement updates at Procurement Officer meetings, the inclusion of social procurement in templates and one to one advice on request.

9.2 Public Construction

Construction supplier engagement activities focus on:

- Tender-specific engagement and
- General social procurement engagement

Homes Victoria is developing a supplier engagement plan which will focus on the following activities for tender-specific engagement:

- Providing briefings and information to suppliers during the procurement process on social procurement
- Actively managing supplier relationships during and after the procurement process, including through leveraging expertise across Homes Victoria's social procurement and inclusion team
- Debriefing the market on social procurement post-tender
- Establishing easily accessible procurement process feedback loops and opportunities to lodge complaints
- Providing suppliers with business support advice that can help connect them to other social procurement opportunities outside Homes Victoria
- Supporting suppliers in their social procurement reporting requirements

- Meeting with suppliers not meeting their social procurement commitments through rectification meetings and providing advice and support to help them meet their commitments

In terms of general social procurement engagement, the following activities have been initially identified and will form part of the supplier engagement plan:

- Mapping suppliers to construction or maintenance procurement
- Providing information to suppliers through the Homes Victoria website and other web-based resources
- Holding virtual and face-to-face events with suppliers, connecting them to relevant stakeholders such as social enterprises, Aboriginal businesses, Apprenticeships Victoria, Jobs Victoria, and showcasing success stories in social procurement

10 Reporting and Management Framework

The review of this three-year Strategy will be conducted by the department in July 2025 and the Social Procurement Capability Self-Assessment will also be completed. The revised SPS and the Capability Self-Assessment will be provided to the Department of Jobs, Skills, Industry and Regions (DJSIR).

The department is committed to a “lessons learned” process as the implementation of social procurement progresses. This new information will inform strategy development, social procurement advice, communication, capability development and procurement processes across the department.

The department is committed to including the most up-to-date model clauses (for Invitations to Supply, Contracts and Response Schedules), which can be obtained from Buying for Victoria, in DFFH procurement and contract templates and documents.”

The DJSIR Social Procurement Framework Measurement and Reporting Guidelines will be implemented as required. An external portal (VMC) has been developed by the Industry Capability Network (ICN) to electronically record social procurement outcomes. VMC will be used by contract managers and/or suppliers to input data. The department will work to with project managers, suppliers, DJSIR and ICN to improve reporting and monitoring capabilities and ensure compliance.

11 Signature



Peta McCammon

Secretary, Department of Families, Fairness and Housing

Date: 31/3/2023

To receive this document in another format [email](mailto:procurement@dffh.vic.gov.au) DFFH Procurement
<procurement@dffh.vic.gov.au>.

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