

SOCIAL PROCUREMENT STRATEGY

2019 - 2023

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EXECUTIVE SPONSOR:	Paul Butler, Executive Director, Office of the Chief Executive
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Monash Health acknowledges the Traditional Custodians of the land on which we work, the Wurundjeri and Boonwurrung peoples, and we pay our respects to them, their culture and their Elders past, present and future.

BACKGROUND

In April 2018, the Victorian Government released Victoria's Social Procurement Framework. As a requirement for compliance with HealthShare Victoria (previously Health Purchasing Victoria), all health services were required to submit their draft Social Procurement Strategy to the Department of Treasury & Finance (DTF) by 1 September 2019 for review. After considering feedback provided by DTF, Monash Health are required to submit their final Social Procurement Strategy to DTF by 17 February 2021. The final Social Procurement Strategy will be endorsed by the Monash Health Board of Directors prior to submission to DTF.

The purpose of Victoria's Social Procurement Framework is to "streamline and embed social procurement within ordinary government processes," and is informed by the following guiding principles:

- A standard and consistent approach across the Victorian Government;
- Easy to understand and adopt with minimal administrative burden for all businesses, especially SMEs;
- Simple for government to embed in everyday business;
- Sociable for all sizes and types of businesses and suppliers;
- User-friendly and supported with guidance, education, tools and templates;
- Able to be effectively measured and reported; and
- Demonstrates Government leadership in promoting the use of social procurement across Victoria.

The objectives of Victoria's Social Procurement Framework are:

- Opportunities for Victorian Aboriginal people;
- Opportunities for Victorians with a disability;
- Women's equality and safety;
- Opportunities for disadvantaged Victorians;
- Supporting safe and fair workplaces;
- Sustainable Victorian social enterprise and Aboriginal business sectors;
- Sustainable Victorian regions;
- Environmentally sustainable outputs;
- Environmentally sustainable business practices; and
- Implementation of the Climate Change Policy Objectives.

MONASH HEALTH'S COMMITMENT

As a core business and strategic function following the implementation of a centralised procurement model from July 2017, Monash Health Procurement have identified the following standards and objectives:

- Improving patient care through innovative procurement, including the increased use of strategic sourcing, and supply chain management.
- Sustainable savings over the life of a contract, whilst ensuring effective management of financial, physical and reputational risk, and taking into account the total cost of ownership (TCO).
- Highly structured approach to supplier performance and relationship management, with a strong focus on evidence-based performance benchmarking and outcome-based value delivery.
- Adherence to leading practice probity through equitable opportunity in a transparent process, and ethical behaviour when dealing with the vendor community.
- Use of a sustainable supply chain for goods and services, which align with the environmental and social outcomes valued by Monash Health.

Social procurement creates an opportunity for Monash Health to use our significant buying power as a leading health service to deliver social and procurement outcomes that help to build a fair, inclusive and sustainable Victoria. Monash Health are therefore committed to ensuring that suppliers achieve substantial and measurable benefit based on the social and sustainable procurement objectives listed under Victoria's Social Procurement Framework.

The additional benefits to Monash Health of implementing social procurement could also include:

- Providing Procurement staff with a greater sense of purpose in their work.
- Developing a better understanding of Monash Health's supplier base.
- Enabling Monash Health staff to better support similar social initiatives for our patients and wider community.

Monash Health is therefore also committed to advancing social and sustainable procurement objectives through all procurement activities in accordance with Victoria's Social procurement Framework.

Monash Health has developed a Social Procurement Strategy in line with the requirements of Victoria's Social Procurement Framework, which will be implemented over 4 years as per Figure 1 below. The scope of this strategy includes all procurement activities undertaken by Monash Health.

Note that Monash Health will be applying a "lessons learned" approach throughout the 4-year term of this strategy, and it will be reviewed and resubmitted to DTF at the end of the initial 3 year term as per the updated directions under Victoria's Social Procurement Framework.

Monash Health Procurement will also aim to achieve 1% growth in business with suppliers that align with these objectives over the 4-year term.

Phase	Time Frame	Priority Objectives
Implementation Phase	July 2019 – July 2021	N/A
Application Phase 1	April 2020 – December 2021	• Opportunities for Victorian Aboriginal people • Opportunities for disadvantaged Victorians • Environmentally sustainable outputs
Application Phase 2	January 2021 – June 2023	• Opportunities for Victorians with disability • Women’s equality and safety • Supporting safe and fair workplaces

Figure 1

ALIGNMENT WITH BUSINESS STRATEGY

Monash Health have recently launched a new Strategic Plan for 2019-2023. One of the Guiding Principles included in this plan involves “managing our resources wisely and sustainably to provide value for our community.” This guiding principle is a key consideration for Monash Health’s Social Procurement Strategy for 2019-2023.

In addition, Monash Health’s Social Procurement Strategy will aim to align with the following Monash Health policies:

- Statement of Priorities 2018-2019, which is the current agreement with the Minister for Health and includes the following relevant actions:
 - *Mandatory*: Submit a draft Disability Action Plan by 30 June 2019, outlining the approach to full implementation within 3 years of publication;
 - *Mandatory*: Improve environmental sustainability;
 - *Mandatory*: Deliver actions to support LGBTI communities;
 - Progressing the implementation of Monash Health’s Aboriginal and Torres Strait Islander employment plan; and
 - Implementing the Family Violence Education Plan.
- Equity & Inclusion Strategy 2018-2023, which includes the following five focus areas:
 - Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI+);
 - Cultural and Linguistic Diversity (CALD);
 - Aboriginal and Torres Strait Islander Health and Employment;
 - Gender; and
 - Disability.
- Occupational Health & Safety Strategy 2018-2023, which includes promoting, protecting and supporting the health, safety and overall wellbeing of our employees and external contractors.
- People & Culture Strategic Policy, which includes a commitment to applying human resources best practice with all employees and external contractors.
- Aboriginal and Torres Strait Islander Recruitment Policy 2019, which can be extended to include external contractors.
- Sustainability Program, which includes the Sustainability Action Plan 2021-2026 and Sustainability Strategy 2022-2025.
- Reconciliation Action Plan for 2020-2022.
- Disability Action Plan, which is currently pending approval for 2019-2022.

Procurement process are in line with the Local Jobs First Policy (effective 15 August 2018) and Ministerial Directions for Public Construction Procurement (effective 1 July 2019), which have similar objectives to Victoria’s Social Procurement Framework.

PROCUREMENT PROFILE

Summary of Procurement Spend

Monash Health's addressable procurement spend over the last two financial years is provided in Figure 2 below:

Year	Total Procurement Spend
Financial Year (FY) 2017-2018	\$442.1 million
Financial Year (FY) 2018-2019*	\$448.9 million

Figure 2

Monash Health therefore meets the criteria for a Group 1 organisation under Victoria's Social Procurement Framework, namely:

- Total annual procurement spend is valued above \$10 million; and
- Individual procurement activities located in metropolitan Melbourne or state-wide are valued above \$3 million.

This addressable spend is comprised of both direct and indirect categories, as outlined in Figures 3 and 4 below:

Spend Category	Category Type	FY 2017-2018		FY 2018-2019*	
		Value	%	Value	%
Catering & Food Services	Direct	\$8.37m	1.89%	\$9.41m	2.1%
Cleaning Services	Direct	\$2.99m	0.68%	\$3.37m	0.75%
Linen Services	Direct	\$8.96m	2.03%	\$9.29m	2.21%
Medical Equipment & Consumables	Direct	\$78.04m	17.65%	\$80.07m	17.83%
Pathology Services	Direct	\$11.32m	2.56%	\$12.49m	2.78%
Patient Aids & Appliances	Direct	\$4.21m	0.95%	\$2.92m	0.65%
Patient Transport	Direct	\$6.43m	1.45%	\$6.88m	1.53%
Pharmaceuticals	Direct	\$99.84m	22.58%	\$103.9m	23.14%
Other Patient Services	Direct	\$97.24m	22.0%	\$90.98m	20.26%

Construction, Engineering & Infrastructure	Indirect	\$19.78m	4.48%	\$22.23m	4.95%
Financial Services, Procurement & Supply Chain	Indirect	\$55.89m	12.64%	\$58.91m	13.12%
Information & Communications Technology	Indirect	\$10.10m	2.29%	\$15.69m	3.50%
Office Supplies	Indirect	\$9.39m	2.12%	\$10.54m	2.35%
Other Corporate Services	Indirect	\$29.51m	6.67%	\$21.63m	4.82%

Figure 3

Category Type	FY 2017-2018		FY2018-2019*	
	Value	%	Value	%
Direct	\$317.4m	71.8%	\$319.9m	71.3%
Indirect	\$124.7m	28.2%	\$120.1m	28.7%

Figure 4

*Note that the above data for Financial Year 2018-2019 has been extrapolated based on spend data currently available for July-December 2018.

Monash Health's addressable spend under collective agreements with HealthShare Victoria (previously Health Purchasing Victoria) is also outlined as per Figure 5 below.

Category Type	FY2018-2019**	
	Value	%
HPV Spend	\$96.5m	21.5%
Non-HPV Spend	\$352.4m	78.5%

Figure 5

**Note that the above data has been extrapolated based on spend data provided by HPV for the 2018 Calendar Year.

Individual Procurement Activities

Monash Health's individual procurement activities for Financial Year 2018-2019 and projects in the pipeline for Financial Year 2019-2020 are summarised as per Figure 6 below, which is based on the spend thresholds provided in Victoria's Social Procurement Framework.

Spend Threshold	FY 2018-2019		FY2019-2020	
	Total Number	Aggregate Spend	Total Number	Aggregate Spend
Less than \$3 million	62	\$36.5 million	26	\$29.7 million
\$3 to \$20 million	7	\$40.2 million	4	\$23.3 million
\$20 to \$50 million	1	\$25 million	0	N/A
Over \$50 million	0	N/A	0	N/A

Figure 6

It is noted that as per Victoria's Social Procurement Framework, Monash Health is required to incorporate the following processes for individual procurement activities:

Spend Threshold	Planning Requirement	Described Approach
Less than \$3 million	Incorporate social procurement objectives and outcomes into regular procurement planning	Encouraged: Seek opportunities where available to procure directly or indirectly from social enterprises, ADEs or Victorian Aboriginal businesses.
\$3 to \$20 million	Incorporate social procurement objectives and outcomes into regular procurement planning	Proportionate: Use evaluation criteria (5-10% weighting) to favour businesses whose practices support social and sustainable procurement objectives.
\$20 to \$50 million	Complete a Social Procurement Plan during procurement planning	Targeted: Include performance standards and contract requirements that pursue social and sustainable procurement objectives.
Over \$50 million	Complete a Social Procurement Plan during procurement planning	Strategic: Include targets and contract requirements that pursue social and sustainable procurement objectives.

Figure 7

Existing Engagements with Social Benefit Suppliers

Monash Health engaged with 64 verified social benefit suppliers in Financial Year 2018-2019, as summarised in Figure 8 below.

Supplier Type	Total Number	Annual Spend (FY 2018-2019)	Percentage of Total Annual Procurement Spend
Aboriginal Business	4	\$14,773.14	0.003%

<i>Social Enterprise</i>	48	\$6,100,451.86	1.36%
<i>Australian Disability Enterprise (ADE) or Disability Social Enterprise</i>	12	\$3,014,339.24	0.67%
<i>TOTAL</i>	<i>64</i>	<i>\$9,129,624.24</i>	<i>2.03%</i>

Figure 8

Monash Health Procurement will aim to achieve 1% growth in business with suppliers that align with these objectives over the 4-year term, which should also help to achieve the Victorian Government's target for 1% of procurement from Aboriginal businesses. This growth target will include both an increase in spend with social benefit suppliers and an increase the number of engagements with unique social benefit suppliers.

These social benefit suppliers provided a range of goods and services to Monash Health, including:

- Design services;
- Events and entertainment;
- Home and personal care;
- Disability services;
- Nursing services;
- Mental health services;
- Case management;
- Housing support;
- Recruitment;
- Training;
- Cleaning supplies; and
- Family support services.

Existing Sustainable Procurement Initiatives

As part of Monash Health's Sustainability Program, Monash Health have committed to a range of "Green Procurement" initiatives, including:

- Our procurement team consider the sustainability practices and environmental policies of our suppliers during the tender process and when negotiating agreements.
- Our procurement team consider opportunities for sourcing environmentally friendly products or methods for reducing waste, updating site-wide ordering systems as required.
- Our warehouse and logistics team consider opportunities to reduce our carbon footprint when processing deliveries.

Recent actions relating to the above "Green Procurement" initiatives include:

- When tendering for cleaning services, we ensured that the successful provider would use environmentally friendly chemicals.
- When tendering for washroom and pest control services, we ensured that all sanitary waste will be disposed of at an EPA licensed site.
- When tendering for pharmaceutical products, we ensured that the successful tenderers had environmental policies in place.

- Our pharmacy team has implemented a program for reducing their plastic bag usage, including encouraging patients to bring their own bags and switching to more environmentally friendly alternatives.
- When managing our current contract for staff uniforms, we have considered ways to ensure that old uniforms are disposed of or reused effectively.
- Our procurement team has considered opportunities to use alternative products made of recycled or other environmentally friendly materials, such as pill cups and kidney trays.
- Our warehouse team have implemented new processes for transferring cartons directly to the relevant wards on delivery to reduce cardboard waste.

OPPORTUNITY ANALYSIS

Monash Health have conducted an opportunity analysis for all of the social and sustainable procurement objectives listed under Victoria's Social Procurement Framework as per Appendix 2.

Note that Monash Health have not selected any particular sourcing tactics as part of this Social Procurement Strategy, as this will be dependent on the individual procurement activity and sourcing strategies adopted during a procurement process. However, sourcing tactics that may be appropriate in relation to the priority social and sustainable procurement objectives could include:

- Direct purchasing through engagement with Victorian social benefits suppliers.
- Indirect purchasing through working with strategic suppliers to explore opportunities to include Victorian social benefit suppliers in their supply chains.
- Working with suppliers to promote job opportunities for certain cohorts of Victorian people.
- Including social procurement objectives and outcomes in the evaluation process for tenders.
- Including social procurement outcomes and commitments in agreements with suppliers and monitoring their performance against these commitments as part of contract and supplier performance management.

PRIORITY OBJECTIVES

Monash Health have selected the following priority social and sustainable procurement objectives as part of this Social Procurement Strategy. The rationale for selection of these objectives is also outlined below.

Specific actions and activities relating to these priority objectives will be identified during the Implementation Phase.

Note that Monash Health supports all ten objectives under Victoria's Social Procurement Framework. Each Procurement project team will select the objective or objectives that are most appropriate for their procurement activity.

Phase 1 Objectives (April 2020 – December 2021)

A. Opportunities for Victorian Aboriginal people

- Strong alignment with several existing Monash Health policies and with the commitments made in Monash Health's new Reconciliation Action Plan.
- Several opportunities identified for working with both current and future suppliers, and across multiple areas of the organisation.
- Victoria's Social Procurement Framework lists the following key outcomes for this objective:
 - Purchasing from Victorian Aboriginal businesses; and
 - Employment of Victorian Aboriginal people by suppliers to the Victorian Government.
- Monash Health have also identified the following focus areas that will support the outcomes for this objective:
 - Promoting knowledge transfer from Victorian Aboriginal and Torres Strait Islander communities;
 - Cultural sensitivity, and respect for traditions and history;
 - Supporting career progression and development for Victorian Aboriginal and Torres Strait Islander people;
 - Preventing and reducing racial discrimination; and
 - Preventing exploitation of Victorian Aboriginal and Torres Strait Islander people and communities.

B. Opportunities for disadvantaged Victorians

- Strong alignment with existing Monash Health policies.
- Several opportunities identified for working with both current and future suppliers, and across multiple different areas of the organisation.
- Victoria's Social Procurement Framework lists the following key outcomes for this objective:
 - Purchasing from Victorian social enterprises; and

- Job readiness and employment for long-term unemployed people, disengaged youth, single parents, migrants and refugees, and workers in transition.
- Monash Health will include supporting disadvantaged Victorians who are also LGBTI+ as part of this objective, as this often presents additional challenges for the groups of disadvantaged people listed and is a key priority under Monash Health's Statement of Priorities for 2018-2019.
- Monash Health have also identified the following focus areas that will support the outcomes for this objective:
 - Providing flexible work arrangements for disengaged youth, single parents, and workers in transition in Victoria;
 - Providing mental health support for disengaged youth, single parents, refugees, and LGBTI+ people in Victoria;
 - Preventing and reducing discrimination for migrants, refugees and LGBTI+ people in Victoria;
 - Cultural sensitivity for Victorian migrants and refugees;
 - Supporting completion of studies for disengaged youth in Victoria;
 - Providing English language support for Victorian migrants and refugees;
 - Supporting career progression and development for disengaged youth, single parents, migrants and refugees in Victoria; and
 - Preventing exploitation of migrants and refugees in Victoria.

C. Environmentally sustainable outputs

- Strong alignment with existing Monash Health policies.
- Several opportunities identified for working with both current and future suppliers, and across multiple areas of the organisation.
- Monash Health have selected this objective out of the three sustainable procurement objectives listed under the framework, as the outcomes are more achievable in our context and can be implemented with minimal disruption to business operations.
- Victoria's Social Procurement Framework lists the following key outcomes for this objective:
 - Project-specific requirements to use sustainable resources and to manage waste and pollution; and
 - Use of recycled content in construction.
- Monash Health have also identified the following focus areas that will support the outcomes for this objective:
 - Waste reduction, including product packaging waste;
 - Ensuring effective recycling and reuse of materials;
 - Effective use of resources, including prioritising sustainable alternatives over standard goods, products and equipment where possible;
 - Ensuring supply chains are ethical and sustainable; and
 - Promote local supply to minimise scope 3 emissions.

Phase 2 Objectives (January 2021 – June 2023)

A. Opportunities for Victorians with disability

- Strong alignment with several existing Monash Health policies, and with the commitments made in Monash Health's new Disability Action Plan.
- Opportunities identified for working with both current and future suppliers, and across multiple areas of the organisation.
- Victoria's Social Procurement Framework lists the following key outcomes for this objective:
 - Purchasing from Victorian social enterprises and Australian Disability Enterprises (ADEs); and
 - Employment of Victorians with disability by suppliers to the Victorian Government.
- Monash Health have also identified the following focus areas that will support the outcomes for this objective:
 - Removing barriers to accessing the Victorian job market for people with disability;
 - Supporting for managing disability, whether visible or invisible, including providing flexible work arrangements;
 - Supporting career progression and development for Victorians with disability;
 - Preventing and reducing discrimination;
 - Preventing exploitation of Victorians with disability;
 - Preventing bullying and harassment in the workplace; and
 - Treating Victorians with disability with respect, compassion and dignity.

B. Women's equality and safety

- Strong alignment with several existing Monash Health policies.
- Opportunities identified for working with both current and future suppliers, and across areas of the organisation that are aligned with traditionally male-dominated industries.
- Victoria's Social Procurement Framework lists the following key outcomes for this objective:
 - Adoption of family violence leave by Victorian Government suppliers; and
 - Gender equality within Victorian Government suppliers.
- Monash Health have also identified the following focus areas that will support the outcomes for this objective:
 - Promoting workforce participation of women in traditionally male-dominated industries;
 - Supporting new parents in returning to work, including providing flexible work arrangements;
 - Supporting single parents, including providing flexible work arrangements;
 - Supporting women from Aboriginal and Torres Strait Islander communities;

- Supporting women from culturally and linguistically diverse (CALD) communities; and
- Preventing bullying and sexual harassment in the workplace.

C. Supporting safe and fair workplaces

- Strong alignment with existing Monash Health policies.
- Aligns with the current work being done regarding the new Local Jobs First Policy (effective 15 August 2018) and Ministerial Directions for Public Construction Procurement (effective 1 July 2019).
- Several opportunities identified for working with both current and future suppliers, and across multiple areas of the organisation.
- Victoria's Social Procurement Framework lists the following key outcome for this objective:
 - Purchasing from suppliers that comply with industrial relations laws and promote secure employment.
- Monash Health have also identified the following focus areas that will support the outcomes for this objective:
 - Providing local job opportunities for Victorians;
 - Promoting local industries in Victoria;
 - Providing safe work environments, including preventing injuries;
 - Providing training on manual handling and hazards identification;
 - Providing training on management of occupational violence and aggression; and
 - Preventing bullying and harassment in the workplace.

Note that the social procurement objective for “Sustainable Victorian regions” was not selected as one of Monash Health’s priority objectives, as there are no existing business policies that directly relate to this objective. However, in certain areas of the business there are limited opportunities to achieve benefit, and therefore further consideration will be given to this objective in future.

The social procurement objective for “Sustainable Victorian social enterprise and Aboriginal business sectors” was also not selected as one of Monash Health’s priority objectives, as Monash Health can achieve more significant outcomes with other objectives.

IMPLEMENTATION

Monash Health have developed action plans relating to Capability Development, Supplier Engagement, and Measurement and Reporting, which will be completed as part of the Implementation Phase (July 2019 – July 2021).

Activities related to this Social Procurement Strategy will be reviewed in the March and October quarters each calendar year, and a report will be provided the Monash Health Executive Committee and Board of Directors. A summary will also be included in the Monash Health Annual Report.

Capability Development Plan

Monash Health have conducted a gap analysis regarding our current capabilities and plan for implementing this Social Procurement Strategy as per Appendix 3.

Supplier Engagement Plan

Monash Health have conducted a gap analysis and plan for engaging with suppliers when implementing and applying this Social Procurement Strategy as per Appendix 4.

When engaging with social benefit suppliers, Monash Health will also adhere to the following minimum requirements:

- All social enterprises are certified by Social Traders;
- All Aboriginal businesses are verified by Supply Nation or Kinaway; and
- All not-for-profit organisations providing supported employment opportunities for people with disability are registered as Australian Disability Enterprises (ADEs).

Monash Health Procurement will use the following resources to identify potential suppliers in the above listed categories:

- Social Traders' database of certified social enterprises, which can be accessed via Vendor Panel;
- Supply Nation's database of verified Aboriginal businesses, which can be accessed via Vendor Panel;
- Kinaway's database of verified Aboriginal businesses, which can be accessed via Vendor Panel;
- Buyability's database of Australian Disability Enterprises;
- The Map for Impact, which was developed by Deakin University in collaboration with Social Traders; and
- The State Government's Victorian Aboriginal Business Directory.

Measurement & Reporting

Monash Health will comply with the requirements of a whole of government measurement and reporting framework to support Victoria's Social Procurement Framework, as well as any additional requirements under the Monash Health Contract Management Procedure. This will include using a "lessons learned" approach and reviewing progress against the priority social procurement objectives and outcomes on a quarterly basis, then conducting a review of this strategy after the initial 3-year term.

Monash Health will also report on our social and sustainable procurement outcomes and progress against this Social Procurement Strategy in our Annual Report, in accordance with the requirements of Victoria's Social Procurement Framework.

Tender and Contract Managers will be responsible for tailoring the measurement and reporting framework to suit each individual sourcing activity and contractual arrangement. This will include using commitments to social and sustainable procurement outcomes in Key Performance Indicators and any other performance management processes.

ROLES & RESPONSIBILITIES

Monash Health will refer to the below chart (Figure 9) when implementing and applying this Social Procurement Strategy.

Task/Action	Responsible	Accountable	Consulted	Informed
Implementation Phase (July 2019 – July 2021)				
Developing procurement tools and templates	Procurement Sourcing team	Deputy Director Strategic Sourcing	Key internal stakeholders	Other internal stakeholders
Reviewing procurement and contract management processes	Procurement Sourcing team	Director Procurement & Supply Chain	Legal	Other internal stakeholders
Training procurement staff	Procurement department	Director Procurement & Supply Chain	Procurement	Other internal stakeholders
Training other staff involved in procurement activities	Procurement department	Director Procurement & Supply Chain	Key internal stakeholders	Other internal stakeholders
Holding or participating in workshops with procurement staff in other health services	Procurement Sourcing team	Deputy Director Strategic Sourcing	Other health services	Other internal stakeholders
Engaging with HealthShare Victoria (HSV)	Procurement Sourcing team	Director Procurement & Supply Chain	HSV	Other internal stakeholders
Engaging with other intermediaries and external organisations	Procurement Sourcing team	Director Procurement & Supply Chain	External organisations	Other internal stakeholders
Identifying current strategic suppliers	Procurement department	Deputy Director Strategic Sourcing	Key internal stakeholders	Other internal stakeholders
Notifying current strategic suppliers	Procurement department	Deputy Director Strategic Sourcing	Key internal stakeholders	Other internal stakeholders
Auditing or surveying current strategic suppliers	Procurement department	Deputy Director Strategic Sourcing	Suppliers	Other internal stakeholders
Identifying opportunities with current strategic suppliers	Procurement Sourcing team	Deputy Director Strategic Sourcing	Suppliers	Key internal stakeholders
Reviewing current contractual arrangements with key suppliers	Procurement Sourcing team	Deputy Director Strategic Sourcing	Suppliers	Key internal stakeholders
Develop reporting and management framework	Deputy Director Strategic Sourcing	Director Procurement & Supply Chain	Key internal stakeholders	Other internal stakeholders

<i>Application Phase 1 & 2 (April 2020 – June 2023)</i>				
<i>Evaluating tender submissions</i>	Tender evaluation panel members	Procurement Sourcing team	Deputy Director Strategic Sourcing	Key internal stakeholders
<i>Applying supplier performance management frameworks</i>	Procurement Sourcing team	Deputy Director Strategic Sourcing	Key internal stakeholders	Other internal stakeholders
<i>Monitoring supplier performance</i>	Business contract owners	Procurement Sourcing team	Deputy Director Strategic Sourcing	Other internal stakeholders
<i>Holding or participating in network events for suppliers</i>	Procurement department	Deputy Director Strategic Sourcing	Suppliers or external organisations	Key internal stakeholders
<i>Reporting on social and sustainable procurement outcomes</i>	Deputy Director Strategic Sourcing	Director Procurement & Supply Chain	Key internal stakeholders	HSV and DTF

Figure 9

Figure 10 below also outlines key accountabilities and responsibilities within the Procurement department when implementing this Social Procurement Strategy.

Role or Team	Responsibilities & Accountabilities
<i>Director Procurement & Supply Chain</i>	Governance of all activities in the Procurement & Supply Chain department
<i>Deputy Director Strategic Sourcing</i>	Governance and management of procurement activities
<i>Deputy Director Supply Chain</i>	Consultation on procurement activities relating to supply chain
<i>Sourcing team</i>	- Identifying appropriate sourcing tactics for procurement activities - Management of procurement activities - Liaising with key internal stakeholders - Oversight of contract management and supplier performance
<i>Buying team</i>	Providing support with procurement activities
<i>Customer Service team</i>	Providing support with procurement activities
<i>Administration support</i>	Providing support with procurement activities

Figure 10

Note that in the context of Victoria’s Social Procurement Framework, “government buyer” refers to the individual(s) responsible for planning, sourcing, and/or approving the goods, services or construction being procured by, or on behalf of, a department or agency. This part of the definition relates to the Procurement Sourcing Buying teams at Monash Health. This definition also includes end users, project control boards and financial delegates.

CONCLUDING REMARKS

While there is still significant work to be done and room for improvement, there is a strong and positive attitude towards social benefit and sustainability within Monash Health, which can be effectively extended to procurement activities.

Successful implementation of this Social Procurement Strategy will achieve strong alignment with existing Monash Health strategies and policies, while also having a positive impact on our organisational culture, and our engagement with the supply market and wider public.

As a leading health service, Monash Health are keen to ensure that we are not only compliant with Victoria's Social Procurement Framework, but also using our significant buying power to help build a fair, inclusive and sustainable Victoria.

APPENDIX 1 – SELF-ASSESSMENT

Assessment date: 1 July 2019
Assessor: Ishmeet Singh, Deputy Director Strategic Sourcing

PART A:

Item	Description	Assessment	Comments
1	Our Social Procurement Strategy covers all core components.	Agree	Monash Health's Social Procurement Strategy has been developed in accordance with the guidance material.
2	Our governance framework / accountability mechanisms promote compliance with SPF requirements	Disagree	Monash Health is in the early stages of rolling out Victoria's Social Procurement Framework, and the existing framework/accountability mechanisms have not taken into account the requirements of Victoria's Social Procurement Framework.
3	Procurement spend is actively monitored to ensure that value-for-money outcomes are achieved, taking into account: - 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 is capable of accommodating social procurement commitments.	Disagree	Value-for-money is a key ongoing consideration, and risk is a key consideration in value-for-money assessment. However environmental, social and economic factors are only considerations when required based on applicable legislation and standards for purchasing particular goods and services.
4	Senior management view social procurement as a strategic priority and set the tone from the top.	Disagree	Monash Health's senior management were not previously aware of social procurement and Victoria's Social Procurement Framework.
5	Roles and responsibilities in respect of social procurement are clearly communicated and supervised by senior management.	Disagree	Monash Health are in the early stages of rolling out Victoria's Social Procurement Framework, therefore roles and responsibilities have not yet been communicated to all applicable staff.
6	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.	Disagree	Monash Health staff that are likely to be involved in social procurement currently have limited knowledge, skills and experience for identifying and pursuing opportunities.
7	Recruitment, training and professional development activities in relation to procurement integrate social procurement knowledge, skills and experience.	Strongly Disagree	As Monash Health's Social Procurement Strategy is yet to be fully implemented, recruitment, training and professional

			development does not currently include considerations for social procurement.
8	Social procurement is embedded throughout the procurement process (e.g. in procurement-related systems, policies and processes for planning, sourcing and contract management).	Strongly Disagree	As Monash Health's Social Procurement Strategy has not yet been fully implemented, social procurement has not yet been embedded into the procurement process.
9	Supplier and stakeholder relations are managed on an ongoing basis to promote compliance with contractual obligations. Management of supplier and stakeholder relations is capable of accommodating social procurement commitments.	Disagree	As Monash Health's Social Procurement Strategy has not yet been fully implemented, most supplier and stakeholder relations do not current include considerations for social procurement.
10	Performance of the procurement function is monitored and assessed on an ongoing basis to drive continuous improvement and accommodate any whole-of-government social procurement targets.	Disagree	While the performance of Monash Health's procurement function is monitored and assessed on an ongoing basis, it does not currently take into account social procurement.

PART B:

Progress statement	
Monash Health acknowledges through development of our Social Procurement Strategy for 2019-2023 that there is significant room for improvement in relation to social and sustainable procurement, including development of governance and reporting frameworks, embedding social and sustainable procurement throughout the procurement process, training and skill development for staff, and setting clear roles and responsibilities for social and sustainable procurement within the organisation. Social benefit and sustainability have not been actively monitored in Monash Health's procurement activities up until this point, and Monash Health Procurement have not been actively involved in initiatives relating to these objectives in other parts of the organisation. Monash Health have therefore committed to implementing a new Social Procurement Strategy over 4 years, allowing enough time for implementation and application of the priority social and sustainable procurement objectives in two phases. Additionally, it is noted that there is a strong positive attitude towards social benefit and sustainability within Monash Health, hence alignment with existing business strategies and policies is critical to successful implementation and application of the new Social Procurement Strategy.	

APPENDIX 2 – OPPORTUNITY ANALYSIS

Social Procurement Objectives

Objective	Alignment with existing Monash Health Policies	Spend Category	Opportunities
<i>Opportunities for Victorian Aboriginal people</i>	- Statement of Priorities 2018-2019 - Equity & Inclusion Strategy 2018-2023 - Aboriginal and Torres Strait Islander Recruitment Policy - Reconciliation Action Plan 2020-2022	- Catering & Food Services - Cleaning Services - Construction, Engineering & Infrastructure - Financial Services, Procurement & Supply Chain - Medical Equipment & Consumables / Information & Communications Technology / Office Supplies - Other Patient Services	- Job opportunities for Victorian Aboriginal people and/or engagement with Victorian Aboriginal businesses in procurement activities relating to catering and food services - Job opportunities for Victorian Aboriginal people and/or engagement with Victorian Aboriginal businesses in procurement activities relating to cleaning services - Job opportunities for Victorian Aboriginal people and/or engagement with Victorian Aboriginal businesses in procurement activities related to facilities management and construction - Engagement with Victorian Aboriginal businesses for procurement activities related to travel, courier services and fleet services - Supporting and developing engagements with Victorian Aboriginal businesses for gifts and entertainment - Supporting and developing engagements with Victorian Aboriginal businesses for cultural awareness and diversity training - Engagement with manufacturers that are Victorian Aboriginal businesses, or working with strategic suppliers to include Victorian Aboriginal businesses in their supply chains - Develop partnerships with Victorian Aboriginal health services

		Other Corporate Services	Working more closely with agency recruitment and contingent labour providers to create and promote job opportunities for Victorian Aboriginal people
<i>Opportunities for Victorians with disability</i>	- Statement of Priorities 2018-2019 - Equity & Inclusion Strategy 2018-2023 - Disability Action Plan 2019-2022 (pending)	- Catering & Food Services - Cleaning Services - Financial Services, Procurement & Supply Chain - Other Corporate Services	- Job opportunities for Victorians with disability and/or engagement with Victorian social enterprises in procurement activities relating to catering and food services - Job opportunities for Victorians with disability and/or engagement with Victorian social enterprises in procurement activities relating to cleaning services - Engagement with Victorian social enterprises for procurement activities related to travel, courier services and fleet services - Supporting and developing engagements with Victorian social enterprises for gift purchases - Working more closely with agency recruitment and contingent labour providers to create and promote job opportunities for Victorians with disability
<i>Women's equality and safety</i>	- Statement of Priorities 2018-2019 - Equity & Inclusion Strategy 2018-2023 - People & Culture Strategic Policy	- Construction, Engineering & Infrastructure / Medical Equipment & Consumables / Financial Services, Procurement & Supply Chain - Other Corporate Services	- Work with suppliers to create and promote job opportunities for women in traditionally male-dominated industries, such as facilities management, construction, manufacturing and logistics - Working more closely with agency recruitment and contingent labour providers to create and promote more job opportunities for women

Opportunities for disadvantaged Victorians	• Statement of Priorities 2018-2019 • Equity & Inclusion Strategy 2018-2023	• Catering & Food Services • Cleaning Services • Construction, Engineering & Infrastructure • Financial Services, Procurement & Supply Chain • Medical Equipment & Consumables / Information & Communications Technology / Office Supplies • Other Corporate Services	• Job opportunities for disadvantaged Victorians and/or engagement with Victorian social enterprises in procurement activities relating to catering and food services • Job opportunities for disadvantaged Victorians and/or engagement with Victorian social enterprises in procurement activities relating to cleaning services • Job opportunities for disadvantaged Victorians in procurement activities relating to facilities management and construction • Engagement with Victorian social enterprises for procurement activities related to travel, courier services and fleet services • Consider requirements for culturally sensitive garments when tendering for staff uniforms • Engagement with manufacturers that are Victorian social enterprises, or working with strategic suppliers to include Victorian social enterprises in their supply chains • Working more closely with agency recruitment and contingent labour providers to create and promote job opportunities for disadvantaged Victorians
Supporting safe and fair workplaces	• Occupational Health & Safety Strategy 2018-2023	• Construction, Engineering & Infrastructure • Catering & Food Services • Cleaning Services	• Consider safety requirements in procurement activities relating to repairs and maintenance, and construction • Consider safety requirements in procurement activities relating to catering and food services • Consider safety requirements in procurement activities relating to cleaning services

		Financial Services, Procurement & Supply Chain	- Consider safety requirements in procurement activities relating to fleet and courier services - Promotion of local jobs and support for the local clothing industry when tendering for staff uniforms - Promoting safety for staff, contractors and patients when handling and using medical equipment - Promoting safety throughout the entire supply chain in engagements with manufacturers
Sustainable Victorian social enterprise and Aboriginal business sectors	- Statement of Priorities 2018-2019 - Equity & Inclusion Strategy 2018-2023 - Aboriginal and Torres Strait Islander Recruitment Policy - Reconciliation Action Plan 2020-2022	Financial Services, Procurement & Supply Chain	Promoting and supporting Victorian Aboriginal businesses and Victorian social enterprises in all procurement activities where possible
Sustainable Victorian regions	None	- Linen Services - Catering & Food Services	- Currently working with a linen services provider located in regional Victoria - Promoting the use of local produce with catering and food providers

Sustainable Procurement Objectives

Objective	Alignment with existing Monash Health Policies	Spend Category	Opportunities
Environmentally sustainable outputs	- Statement of Priorities 2018-2019 - Sustainability Action Plan 2021-2026 - Sustainability Strategy 2022-2025	- Catering & Food Services - Cleaning Services	- Working with café retailers to promote the use of recycled products and fair-trade coffee - Working with waste management providers on solutions for food and green waste - Develop and implement a plan for the February 2023 ban in Victoria on the sale or supply of single use plastic items

		• Medical Equipment & Consumables / Office Supplies • Pharmaceuticals • Construction, Engineering & Infrastructure • Financial Services, Procurement & Supply Chain	• Working with suppliers for cleaning/hygiene services and pest control regarding the use of environmentally friendly chemicals • Working with waste management providers on solutions for recycling • Reducing single-use packaging with medical consumables • Develop a process with Infection Prevention for trialling reusable clinical products • Promoting the use of recycled materials in office supplies • Reducing waste through recycling IV bags, using cloth bags, and “red bins” project for clinical vs. pharmaceutical waste • Managing energy use, for example with emergency generators, heating/cooling and lighting • Reducing cardboard and plastic waste in Monash Health’s Distribution Services Centre • Promoting solutions to reduce paper waste when tendering for print services • Promoting solutions relating to sustainable supply chains, use of environmentally friendly materials and reuse/disposal of garments when tendering for staff uniforms • Implement a circular economy asset management system as per the Department of Treasury and Finance Asset Management Accountability Framework • Review supplier agreements to determine opportunities for bulk buying, the potential for product packaging to be minimised and opportunities to return packaging
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Environmentally sustainable business practices	- Statement of Priorities 2018-2019 - Sustainability Action Plan 2021-2026 - Sustainability Strategy 2022-2025	As above	As above
Implementation of the Climate Change Policy objectives	- Statement of Priorities 2018-2019 - Sustainability Action Plan 2021-2026 - Sustainability Strategy 2022-2025	As above	As above

APPENDIX 3 – CAPABILITY DEVELOPMENT PLAN

Item	Current Gaps	Required Actions	Implementation Timeframes	Party Responsible
Procurement templates	- Do not currently have an existing Social Procurement Plan template. - Tender document templates do not currently address social and sustainable procurement.	- Develop a Social Procurement Plan template. - Update tender document templates to address social and sustainable procurement.	January – December 2020	Procurement Sourcing team
Contract and supplier performance management	- Terms and conditions do not include any legislation relating to social and sustainable procurement. - Key Performance Indicators do not typically include specific commitments relating to social and sustainable procurement. - Contract and performance review meetings do not usually address	- Consult with the Monash Health Legal department on updating contract templates. - Develop templates for Key Performance Indicators that can be used to address social and sustainable procurement.	January 2020 – July 2021	Procurement Sourcing team, in consultation with the Legal team

	social and sustainable procurement.	Review the current process for contract and performance review meetings with suppliers.		
Procurement processes	- Procurement planning does not currently include social and sustainable procurement. - Evaluation process currently does not include criteria relating to social and sustainable procurement outcomes.	- Develop new evaluation process that includes priority social and sustainable procurement. - Review evaluation criteria and weightings as per the requirements under Victoria's Social Procurement Framework.	January – December 2020	Procurement department
Technology and tools for sourcing	- Currently difficult to identify certain types of businesses participating in tenders on the Buying for Victoria portal. - Small businesses tend to not be registered on the Buying for Victoria portal.	- Consult with Buying for Victoria regarding possible revisions to the portal. - Engage with external organisations to understand and remove/reduce barriers for small businesses with tenders.	January 2020 – July 2021	Procurement Sourcing team
Technology and tools for purchasing goods and services	- Currently difficult to identify certain types of businesses on Oracle iProc. - Currently difficult to identify certain types of products on Oracle iProc or other supplier ordering systems.	- Currently implementing other systems that can be used to identify certain types of businesses and products. - Work with key suppliers to on solutions for identifying certain types of products on ordering systems.	January - July 2021	Procurement department
Skills and experience of Procurement staff	Most procurement staff currently not aware of Victoria's Social Procurement Framework.	Conduct training for all procurement staff on social and sustainable procurement.	January – July 2021	Procurement department

	- Most procurement staff not actively involved in current initiatives relating to social benefit and sustainability. - Procurement have had limited involvement in the development of existing policies and strategies relating to social benefit and sustainability.	- Hold or participate in workshops with procurement staff in other health services and HealthShare Victoria (HSV). - Identify and engage with key internal stakeholders driving initiatives relating to social benefit and sustainability. - Encourage engagement with procurement when developing new strategies and policies.		
<i>Skills and experience of other staff</i>	- Other departments are currently involved in social benefit and sustainability initiatives - Most staff are not currently aware of Victoria's Social Procurement Framework.	Conduct additional training on social and sustainable procurement for key internal stakeholders that are involved in procurement activities.	January – July 2021	Procurement department
<i>Measurement and reporting</i>	Current measurement and reporting frameworks do not track social and sustainable procurement outcomes.	Update current measurement and reporting frameworks to include social and sustainable procurement outcomes.	January – July 2021	Procurement Sourcing team, with oversight by the Deputy Director Strategic Sourcing
<i>Communication</i>	- Most staff have not yet been made aware of Victoria's Social Procurement Framework and Monash Health's new Social Procurement Strategy. - Internal communication does not usually include updates on specific procurement activities.	- Develop internal communication about Victoria's Social Procurement Framework and Monash Health's new Social Procurement Strategy. - Release regular updates via internal email or the Intranet about social and sustainable procurement outcomes.	January – July 2021	Procurement department, in consultation with the Public Affairs & Communication department

	The general public have not yet been made aware of Victoria's Social Procurement Framework and Monash Health's new Social Procurement Strategy.	- Publish information about Victoria's Social Procurement Framework and Monash Health's Social Procurement Strategy on the Monash Health website. - Form Social Procurement Working Group with key stakeholders		
<i>Governance and leadership</i>	- Governance frameworks do not currently include social and sustainable procurement. - Senior management currently have limited awareness of Victoria's Social Procurement Framework.	- Review governance framework to include social and sustainable procurement. - Present this Social Procurement Strategy to the Executive Committee and Board of Directors.	January 2020 – July 2021	Director Procurement & Logistics
<i>Organisational culture</i>	There is a positive attitude towards social benefit and sustainability within Monash Health, but not in relation to procurement.	Liaise with the Monash Health People & Culture team on potential activities required to change Monash Health's culture.	January – July 2021	Director Procurement & Logistics

APPENDIX 4 – SUPPLIER ENGAGEMENT PLAN

<i>Item</i>	<i>Current Gaps</i>	<i>Required Actions</i>	<i>Implementation Timeframes</i>	<i>Party Responsible</i>
<i>Communication</i>	- Do not currently communicate with suppliers regarding social and sustainable procurement objectives. - Do not have existing relationships with appropriate intermediaries and other relevant external organisations. - Do not currently hold or participate in regular activities for networking with suppliers.	- Notifying current strategic suppliers of Monash Health's priority social and sustainable procurement objectives, for both Phase 1 and 2. - Engage with appropriate intermediaries and other external organisations, including the Monash Health Aboriginal Strategic Partnership, to promote awareness of the supply market and upcoming opportunities, as well as removing or reducing barriers to tender participation. - Hold or participate in networking events for suppliers and small businesses, possibly with other health services and HealthShare Victoria.	January – July 2021	Procurement department, in consultation with the Public Affairs & Communication department
<i>Procurement processes</i>	- Standard templates for tenders and agreements do not include information relating to Victoria's Social Procurement Framework. - Do not typically consider opportunities for partnerships between suppliers. - Do not current consider different approaches to tender outcomes that may improve the participation rate of social benefit suppliers.	- Ensuring that requirements are clearly outlined in tender documents for future projects, and the templates encourage suppliers to provide detailed descriptions and evidence of activities relating to Monash Health's priority social and sustainable procurement objectives. - Working with strategic suppliers to set up arrangements with smaller businesses for future projects. - Consider different approaches to tender outcomes, such as panel arrangements.	April – December 2020	Procurement Sourcing team, in consultation with the Legal team

Supplier segmentation	- Do not currently have a clear system for tracking spend with social benefit suppliers. - Do not currently have a database with information regarding social procurement opportunities with strategic suppliers.	- Identifying current strategic suppliers based on annual spend volume. - Auditing or surveying current strategic suppliers to understand their current commitments and/or activities relating the priority social and sustainable procurement objectives, as well as any potential opportunities relating to certain areas of the organisation.	January – July 2021	Procurement department
Contract management	- Social procurement objectives and outcomes are not typically included when drafting agreements. - Social procurement outcomes are not typically included when monitoring supplier performance.	- Securing commitments from current strategic suppliers relating to one or more of Monash Health's priority social and sustainable objectives. - Reviewing contractual arrangements with current strategic suppliers and updating contracts where appropriate. - Adding objectives and commitments relating to Monash Health's priority social and sustainable procurement objectives to all new contracts where appropriate, which will then be monitored throughout the life of the contract.	July 2021 – ongoing	Procurement Sourcing and Buying teams