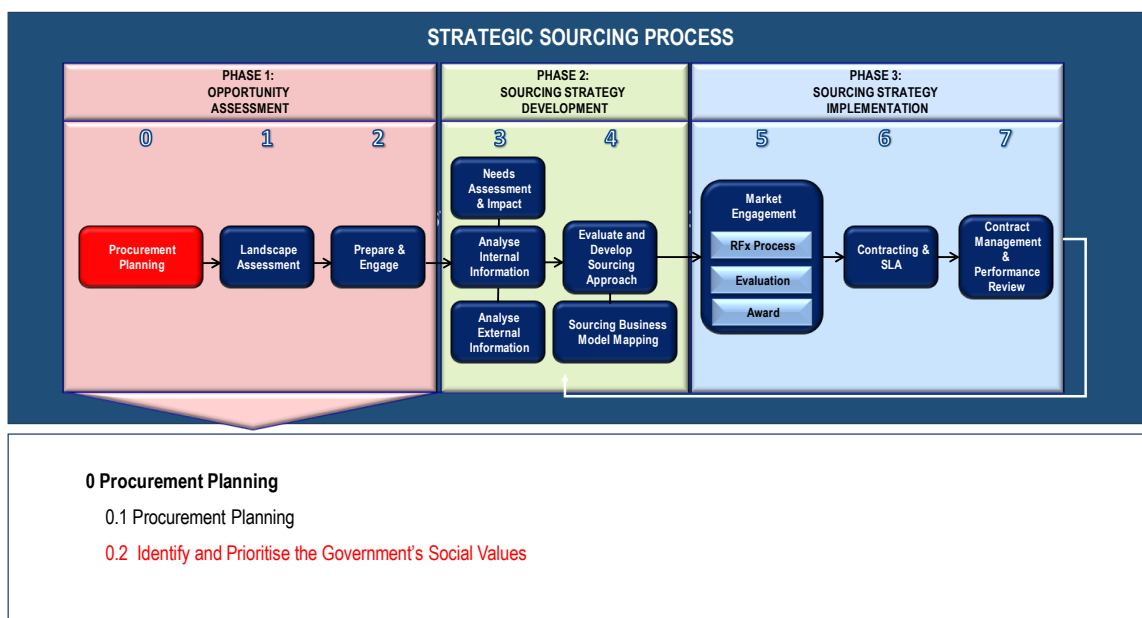


### Using this guide

This guide accompanies the National Treasury's Strategic Procurement Framework (SPF) for Strategic Sourcing in the Public Sector. For more information, visit the National Treasury website at <http://ocpo.treasury.gov.za/>. The SPF can be found here: [http://ocpo.treasury.gov.za/Resource\\_Centre/Documents/1A.%20Strategic%20Procurement%20Framework.pdf](http://ocpo.treasury.gov.za/Resource_Centre/Documents/1A.%20Strategic%20Procurement%20Framework.pdf)

## IDENTIFY AND PRIORITISE GOVERNMENT SOCIAL VALUES



### 1.0 Introduction

- i. When positioned and applied correctly, public procurement directly helps sustainable development, reduces poverty, creates fiscal space, and creates sustainable jobs while boosting private sector growth.
- ii. In developing countries public procurement contributes between 15-22% to the GDP.
- iii. In South Africa, the public sector spends billions of rands every year on goods and services, and this makes a differentiated approach to procurement that directly contributes to economic and government strategic goals necessary.

- iv. A well-executed procurement plan seeks to balance compliance with procurement regulations, service delivery and processes while contributing to long-term economic and social outcomes.
- v. The following good practice guides and templates apply to the identification and prioritisation of government social values:
  - a. Process for identifying social values
  - b. Procurement plan (template)

### **1.1 The objective**

- i. To ensure that identifying and prioritising the social values at the strategic planning and budgetary stage form part of the institution's integrated procurement plan.

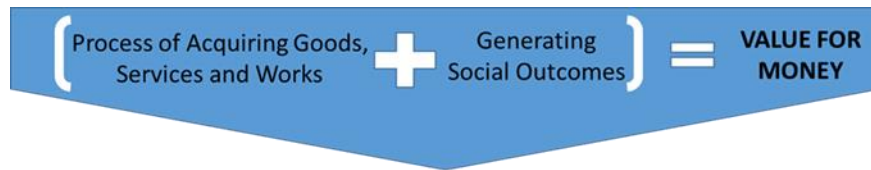
### **1.2 The output**

- i. Annual procurement plan that integrates with social values as prioritised by the procuring institution.

## **2.0 Good practice guide**

### **2.1 Identify and prioritise government social values**

- i. An integrated thinking approach is needed to incorporate social values.
- ii. The integrated thinking approach comprises three main areas.
- iii. Key formulae need to be adopted.
- iv. This thinking suggests that generating social outcomes is a primary objective (win /win) rather than a secondary objective subjected to trade-off (win /lose).
- v. Social objectives must be a part of mainstream procurement practices and organisational approaches, in the same way as occupational health and safety and environmental management are business-as-usual practices for all levels of government today.



- vi. **Plan The Work - Work the Plan** is an important mindset to adopt.
- vii. At various stages of the mainstream procurement process, have visibility of the social outcomes to be achieved.
- viii. **Social Value Target:** use the procurement plan at the beginning.
- ix. **Social Value Forecast:** a more realistic overview of what outcomes could be achieved after market research.
- x. **Social Value Secured:** once the contract is awarded, those outcomes are secured.
- xi. **Social Value Delivered:** they are based on actual contract deliverables.
- xii. Figure 1 (social value identification) provides a practical approach to promote awareness and understanding of how to leverage public sector procurement within the spheres of Government.
- xiii. This approach may be improved and modified by the procuring institution as better insights are obtained over time.
- xiv. All institutions are encouraged to share their learnings to promote these insights.
- xv. The identified social values will then be incorporated into the procurement plans to make monitoring and reporting easier.
- xvi. Figure 1 also shows an intentional approach to identifying and including social values in line with the RDP goals.



**Figure 1: Social value identification process**

### **3.0 The templates**

Integrated procurement plan

**Integrated procurement plan**

ANNUAL PROCUREMENT PLAN REPORTING FORMAT													
Name of Department: National Treasury													
Name of Project Manager / Delegated Official:													
Name of Budget Manager / Delegated Official:													
PROCUREMENT NEEDS CONSIDERATION									ADMINISTRATIVE CONSIDERATION				
No	Business Unit	Project Description	Estimated Value (incl. taxes)	Method of procurement (see below)	The person responsible for triggering the procurement process (SCM or User) Clearly specify	Bid Specification Date	Approved Evaluation Criteria Date	Advert Date	Bid closing Date	Bid award Date	Contract commence Date	Contract expiry Date	Review & reporting
20													
		The Project Manager declares that he/she has engaged with the Executive Authority who concurs with and has approved this Procurement Plan Name & Surname: Signature: Date: Budget Manager/ Delegated Official Signature: Date:											
		Methods of Procurement (for definitions refer to SS methodology stage 5) Open tendering Request for proposals (RFP) Two-stage tendering Request for quotations (RFQ) Selective tendering Single sourcing Competitive dialogue Piggy backing (organ of state) Framework agreements Electronic reverse auctions Negotiated procurement Panels Sub-contracting Design and build											

**Figure 2: Integrated procurement plan**