

Bath & North East Somerset Council (B&NES)

Social Value Procurement Policy

1. Introduction

1.1 *The Public Services (Social Value) Act 2012*

This Policy is being adopted by B&NES in response to its duties under the Public Services (Social Value) Act 2012 (the “Act”) but also because the Council has recognised the need to update its commitments in its Procurement Strategy 2013-17, Health & Well Being Strategy and Economic Strategy 2014 -2030 especially in relation to the provision of employment, training and supply-chain opportunities.

The Act provides a specific duty for contracting authorities (as defined in the Public Contracts Regulations 2006 (the “Regulations”) to consider how to improve the economic, social and environmental well-being of the area served by them through procurement, and how to undertake the process of procurement with a view to securing that improvement. The Act covers contracts for services that are caught by the Regulations and are above the financial threshold for the Regulations to apply, including framework agreements for services, and contracts which are for a mixture of services and works and/or supplies. It does not cover contracts for works or supplies but following Cabinet Office guidance¹, it applies to all services.

When considering the improvement to well-being that can be sought, contracting authority is required to consider whether to undertake any consultation on that improvement.

1.2 *Defining Social Value*

The Act and related guidance do not define social value, instead focussing on the three “pillars” of well-being. In this policy the term “social value” refers to outcomes that will provide benefit to the residents of the Council area – either directly and individually or through businesses and community organisations – particularly where these benefits are linked to the other elements in the contract but have not conventionally been specified as a part of the contract requirements or evaluated as part of the procurement process.

Social value therefore implies innovation relative to the Council’s earlier practice. It follows that requirements that are introduced through this social value policy may, in time, become a normalised part of the services, supplies or works that the Council is purchasing.

1.3 *Costs and Affordability*

It is not the case that the inclusion of social value requirements in a contract automatically increases tender prices. Some requirements involve a change of working method (like recruiting from local agencies that provide a free service) that could reduce costs, while

¹ Cabinet Office Procurement Policy Note 10/12: The Public Services (Social Value) Act 2012 - <https://www.gov.uk/government/publications/procurement-policy-note-10-12-the-public-services-social-value-act-2012>

others (like the recruitment of trainees) provide opportunities for employers to obtain grants or use free services. It follows that the impact on costs and affordability will depend on what requirements are included in the specification, and the information about local support and services provided to bidders in a Local Information Sheet that forms part of the tender package.

Since the social value elements are a part of what the Council is purchasing any associated costs should be part of the price, as well as the quality, assessment. They cannot generate 'less good' value and must demonstrate that the Council is seeking both value for money and to comply with its best value duty under section 3 of the Local Government Act 1999.

1.4 The Council's Approach

Under this Policy the Council commits to applying the obligations of the Act not only to those services contracts to which the Act applies itself, but also to works and supplies contracts, and to services contracts that are below the value where the Regulations apply. The Council has the power to do so under the general power of competence set out at section 1, Part 1 of the Localism Act 2011, and considers that to do so will be in furtherance of its best value duty under section 3 of the Local Government Act 1999.

The Council will also comply with the requirements of the Act for all services contracts to which the Act directly applies.

The Council's initial priority is to implement this Social Value Procurement Policy in relation to targeted recruitment and training and targeted supply-chain opportunities. Implementation will be extended to other social value outcomes where the following tests are met:

- seeking those social value outcomes through a contract and/or the commissioning process itself appears to the Council to be likely to improve the economic, social and environmental well-being of the Council's administrative area or any part of it;
- the Council has access to appropriate expertise in the 'social value outcomes to be secured, either internally or through a partner organisation, so that proper support can be given to both the procurement team and service teams during the commissioning process and in the delivery of the contract;
- the potential benefits to the Council or to the target community justify any additional work and expense incurred by the Council;
- the proposed requirements are affordable; and
- the social value outcomes are not inconsistent with the Council's wider policy goals (including the Sustainable Communities Strategy and the Procurement Strategy, and/or the Council has identified the outcomes as a specific policy goal.

Existing Council policy is clear about the intention to maximise recruitment, training and supply-chain opportunities in the local economy but is not sufficiently explicit about the need to ensure that all employers working for the Council play a part in this, and that the benefits are available to all residents including those that face barriers in the labour market. While the B&NES area is relatively well placed to benefit as the economy improves the

labour market is likely to remain very competitive, especially for people without high-level skills and a relevant employment record.

The B&NES Economic Strategy has been updated and was adopted by Cabinet in September 2014. Within the strategy there is specific reference to the “Think Local” Procurement Strategy including *‘The Council can ... contribute to local employment and training provision through: Targeted Recruitment & Training outcomes contributing to the social value toolkit within the “Think Local” Procurement Strategy’*.

Our strategy is therefore to first ‘think local’ in relation to goods, works and services.
(B&NES Procurement Strategy 2013-17 page 4).

This Social Value Procurement Policy details how all departments and agencies of the Council will implement the above commitments and provides the policy basis for including social value requirements as a part of ‘the subject matter of the contract’ as the default approach within the Council where the contract falls within the scope of the policy.

Where a matter is relevant to the subject matter of the contract, the Council is able to take that matter into account in its evaluation of tenders. Policy and strategy goals are by their nature relevant to the subject matter of everything that the Council does, including its contracts, as the Council makes its decisions as to what to purchase based on its policy and strategy goals. To the extent that it considers relevant to do so, the Council will treat this Social Value Procurement Policy as relevant to each of its procurement exercises.

Compliance with the policy is mandatory for all procurements unless an exemption is specifically agreed (see 3 below).

2. Application of the Policy

2.1 Threshold Values

The Policy will be applied to :

- All works contracts (including contracts for a mixture of works and services or supplies) where the value of the contract is expected to exceed £500,000;
- All services contracts and supplies contracts (including contracts for a mixture of works and supplies) or services, and all where the value of the contract is expected to exceed £100,000;
- all framework agreements where the anticipated spend in any financial year is expected to exceed the above;
- all joint contracts with other purchasers where the value of the Council expenditure is expected to exceed the above thresholds.

2.2 Social Value Contract Conditions

Where a commission/procurement is subject to this policy the following are to be included at all stages of the commissioning/procurement process, commencing with the scoping of the procurement, and as contract conditions:

- targeted recruitment and training

- targeted supply-chain opportunities

The above requirements will be a part of ‘the subject of the contract’ and may be used in all stages of the award process.

The list of matters to be included in the Social Value Contract Conditions can be extended from time to time by the Divisional Director – Business Support or where the commissioning team agrees that the tests set out in paragraph 1.4 above (the Council’s Approach) are met.

The Divisional Director – Business Support will identify appropriate expertise (including Social Value Champions) across the Council to support commissioning teams in applying the policy.

The above matters may also be included in other procurements and as contract conditions where a procurement/commissioning team choose to do so even though this is not required under this policy.

2.3 Existing Contracts

Where the value remaining to be spent through an existing contract – including a call-off from a framework agreement – exceeds the thresholds set out in paragraph 2.1 above the contract manager shall approach the contractor and seek a voluntary commitment to completing and implementing a Social Value Method Statement in relation to the remaining value on the contract.

In the case of a framework agreement, this voluntary commitment will be sought in relation to the award of each call-off contract where that contract exceeds the values set out in paragraph 2.1 above.

2.4 External Consultants and Partner Organisations

Where an external organisation is to be appointed to manage the procurement and/or the contract then they should have a contractual obligation to implement this Policy.

Where the Council is undertaking a joint procurement with other organisations then it is the responsibility of the Council’s lead representative in these discussions to make partner organisations aware of this Policy and the need to include social value in the contract (where mandatory), at least in relation to the delivery for the Council. The Council should therefore take this policy into account when making any decision relating to joint procurement.

3. Exemption Procedure

Where a commissioning/procurement team should implement this policy but thinks there are valid reasons for not doing so on a particular procurement it may seek formal exemption from the Divisional Director – Business Support.

The Divisional Director – Business Support will seek comments from the Council’s Corporate Procurement Team or appropriate internal expertise in considering a request for an exemption.

4. Actions to be Taken

Where a new contract is subject to this Policy the following steps must be taken at each stage of the commission/procurement process as set out in the Council’s Procurement Strategy.

4.1 Analyse & Plan

Identify whether the proposed contract will be subject to the mandatory Social Value Procurement Policy, and whether there are (other) social value outcomes that the commissioning team wish to include. If the proposed contract is not subject to this Policy, consider whether to apply the Policy regardless.

Where this Policy is mandatory, contact and involve the Council’s Economy & Culture Team as social value champion early in the scoping of the work. Where other social value requirements are a consideration, identify and involve a person or organisation for whom this social value is a ‘primary purpose’ as the social value champion. This may be within the commissioning/procurement team, elsewhere in the Council, or in a partner organisation.

Critical roles for the social value champion are:

- to help identify and specify appropriate, measurable and affordable requirements related to the proposed procurement;
- to prepare a Local Information Sheet that can be included in tender information which identifies organisations and resources that could help the contractor deliver the social value requirements in order to establish a level playing field between local bidders (who may be assumed to have some local knowledge and contacts) and non-local bidders;
- to help evaluate the social value elements at PQQ and tender stages;
- to help with the monitoring of outcomes throughout the life of the contract.

In addition the commissioning team and social value champion can undertake ‘soft market testing’ by talking to a range of suppliers that might be appropriate for the proposed contact to obtain their views on how best to include the social value requirements in the procurement process and the contract, including their experience of delivering similar requirements in other contracts. This can form part of any consultation exercise the Council decides to run in complying with the Act.

If there is a pre-tender meeting for potential bidders introduce the intention to include a social value element and/or provide an opportunity for the social value champion to address the meeting.

4.2 Secure Services

Include the model texts set out in Appendix 1 or modify these as appropriate for the social value to be secured, at each of the following stages:

- OJEU contract notice / advertising;
- Prequalification Questionnaire;
- Specification of the contract;
- Tender evaluation and scoring framework;
- Contract clauses.

Advertising and Tender Documents

All procurements must be advertised through www.supplythesouthwest.org.uk and managed through the Council's e-procurement system, ProContract.

For all procurements that are covered by the Regulations, a Local Information Sheet must be included in the tender information. This should provide information on resources available to the appointed contractor(s) or service provider(s) to help them deliver the social value requirements. This aims to make sure that all bidders have the same information on local training, recruitment, supply-chain and diversity services and funding etc., and is important in protecting the Council from challenges from non-local bidders.

Prequalification

The Council does not envisage any situations where the social value element would be the only quality criteria to be evaluated, or where the social value elements is a "pass/fail" requirement (e.g. at PQQ stage).

Tender evaluation

The Social Value Method Statement should normally be evaluated and scored as a part of the quality assessment of the tender using a scoring framework that is developed with the social value champion. The latter may be involved in the evaluation process.

The weighting given to the social value element will depend on the number of elements in the quality section of the evaluation and the relative importance of these, but should be sufficient to make clear that a failure to address the social value elements of the contract could impact on evaluation: 5 - 10% of the overall weighting is considered sufficient for this. If there are very few quality matters being scored care must be taken not to give disproportionate weight to the social value element: in most cases a 10% weighting for all social value requirements should not be exceeded. The weighting given should be assessed on a case by case basis, and any variations to these broad guidelines discussed between the contract manager and the Corporate Procurement Team prior to the publication of the OJEU contract notice.

Where there is a lack of good benchmarks for the required outcomes, or the social value element is not expressly linked to the subject matter of the contract, it might be

appropriate not to score the social value element. The latter requirements should be part of the specification (and therefore noted in the tender documents), and should be included in the contract as 'a condition relating to the delivery of the contract', but they would not influence the evaluation of tenders and the award of the contract.

Costs associated with delivering the social value requirements may be included in the tender price and be taken into account in assessing best value. Nevertheless, contractors should be expected to make maximum use of external resources (funding and services) that may be available for some social value activities (e.g. recruitment and training) so that only a **net cost** is included in the contract sum.

4.3 Deliver and Review

Early in the operation of the contract the contract manager should broker a meeting between the contractor (and perhaps main subcontractors), the social value champion, and any organisation undertaking monitoring and reporting on the social value element of the contract. This should aim to set up positive working relationships and clarify what is required of the contractor.

Key outcomes on the social value requirements should be included in the key performance indicators (KPIs) for the contract and used to assess contractor performance. Monitoring Reports should be chased up from the first due date under the contract and any errors or omissions followed-up. Where the contractor is not performing adequately in relation to the required social value it is the B&NES contract manager's responsibility to obtain improvement from the contractor, working with the social value champion.

The best outcomes will be obtained if there is a clear separation of responsibilities between the team that works with the contractor to help deliver the social value outcomes, and the team that reviews performance against KPIs and makes a commercial response to this.

The intention of this Policy is that the Council's social value requirements have due weight within the contract and should be enforced in the same way as any other element of contract delivery. Obtaining the delivery of all elements of the contract is an imperative for the Council, and therefore an obligation on the appropriate contract officers. In this context the social value champion should not renegotiate the social value requirements with the contractor unless this has been agreed by the Council's contract manager. However, in line with the Council's experience it is anticipated that the social value requirements will be secured through the development of positive relationships between the contractor and the social value champion.

5. Setting Targets

5.1 New Entrant Trainee Opportunities

The aim of the New Entrant Trainee requirements is to enable people who don't have the training and work experience (i.e. skills and productivity) to obtain a job on the contract to train and become productive, and therefore have the chance to compete in the labour market after the contract. Pre-employment training may be an element of this, but work

experience in a supportive environment is also a key element. In many occupations there are sufficient skilled/experienced workers in a Europe-wide labour market, so waiting for this flow to dry up is not an option: many young people and others that are disadvantaged in the labour market in B&NES could become permanently excluded – socially and economically.

Setting targets is a critical part of the procurement of social value because:

- good procurement practice determines that tender/contract requirements should be measurable and capable of being monitored and verified;
- adopting a rational process for setting targets is important in obtaining the support of the whole procurement and contract management team;
- the targets should be compatible with other contract priorities like quality, timely delivery and affordability.

Also, understanding how targets can be set for each type of contract will enable projections of potential outcomes from a single contract or a programme of commissions to be made. This can influence which contracts should be prioritised in relation to social value, in the context where resources for facilitation and monitoring may be limited.

In the construction sector there is a fairly well-established process for setting targets for ‘new entrants’ to the industry based on:

- a calculation of the overall labour requirement to deliver the contract e.g. number of people or person weeks;
- a judgment of what % of these can reasonably be delivered by apprentices and new trainees, in the context of other contract requirements like quality, cost and timely completion.

This has been developed because there is a profession – quantity surveyors – that have relevant knowledge and can offer this to clients to help set targets for individual contracts.

A key issue in setting targets is deciding what the right % is for ‘new entrant’ weeks or jobs. There is considerable experience that suggests a bench-mark for works contracts in the region of 10% of total labour usage. The most comprehensive data comes from nine years of Glasgow Housing Association investment: 34 contracts across 15 types of construction work. Overall, 11.4% of the Person Weeks used by contractors were delivered by New Entrant Trainees recruited through a local agency, of which nearly half were delivered by people from the most deprived communities in Glasgow. However, as the table above shows there were considerable variations between types of work, and between contractors delivering the same type of work. This demonstrates that outcomes relate more to the commitment and experience of the contractors than the type of work being delivered.

This methodology can be applied to other sectors, albeit that the appropriate target % is different. It is likely that at the outset some research will be required which informs the specification. Key questions to ask are:

- What is the best way of setting employment targets, numbers of workers or durations of work (e.g. Person Weeks)? The latter is appropriate where many 'jobs' are short-term because the skills needed and the employers involved change as the project progresses, as in construction.
- How many people (or how many Person Weeks) will be required to deliver the contract? Does the commissioning team know this, if not research this with some potential suppliers through 'soft market testing'.
- What proportion of the workforce (or Person Weeks) can reasonably be delivered by new entrants to the sector before there are significant risks to quality, price, timely delivery etc.?
- How long is it before a new entrant to the sector becomes productive, i.e. able to cover the cost of their employment in the value of the work they deliver for their employer. This can help determine how long a new entrant should be counted as a 'new entrant'.
- What is the typical labour turnover in the sector? This may be important in enabling a 'new entrant' to the sector to move into their second job and create a vacancy for another 'new entrant'.

Another consideration in identifying the scale of opportunities (and later the targets to be included in contracts) is the scale of demand for the opportunities that will be created, and what training is available locally. To assess this it is useful to involve training providers that work in the sector being procured, and possibly general employment agencies: what number of trainees and job-seekers do they need opportunities for?

From this information some reasoned targets for the specification, along with a definition of e.g. a New Entrant Trainee, can be determined by the commissioning team. As can be seen from Housing Association data, the way contractors approach the delivery of the social value requirements has a big impact on what they can achieve. In this context there seems to be some margin for error in setting targets.

Example from a Local Authority

The example local authority spends £12m per year on adult care of which 80%-90% is for labour costs: so roughly £9.6m per year.

If a typical adult care worker costs £10 per hour including on-costs, this equates to £18720 per year, so for a £9.6m budget Council expenditure is supporting 518 fte posts. In reality there will be many more jobs than this because of part-time working. If 10% of these were 'new entrant' posts this would generate 52fte posts per year, or more if the target is delivered through part-time jobs. The number of opportunities would depend on how long each new entrant stays in the post, and this will depend on the approach that is developed.

Options could include:

- each new entrant progresses to a full-time post with the employer, but this makes assumptions about labour turnover in suitable posts that will create vacancies;
- the opportunities are used as a temporary 'first job' for new entrants that are then helped to find a permanent work either in the care sector or in other

sectors, in which case the opportunity could be time limited to perhaps 26 weeks and the 52 posts would support 104 new entrant opportunities per year.

5.2 Opportunities for skilled/experienced workers

There is also a need to maximise the recruitment of local skilled/experienced workers in order to increase spending power in the local economy and help reduce the environmental impact of commuting, and to accommodate an sense of fairness in the local community. It would be possible to set a target number of opportunities to be provided, but take-up is unpredictable because skilled/experienced workers have many more options than new entrants to the labour market. In this context it is common to merely require all vacancies to be notified to named local agencies or advertised locally – rather than setting measurable targets – and then monitor the numbers of local people that benefit. This is the approach proposed in B&NES.

5.3 Supply-chain Opportunities

A key issue when seeking to target subcontract and supply opportunities at local organisations is the danger of the Council, as client, taking responsibility for the work of the local organisations and any increased costs incurred by the main contractor using them, as ‘nominated suppliers’. The Council does not want to take this risk.

In this context the aim should be that local organisations are provided with the opportunity to tender for the contract. Whether this is awarded to them will depend on their suitability, capacity and price, and the Council should not get involved in this. It would be reasonable to require that (e.g.) two organisations with a BA post-code be included in each list of organisations invited to tender or price for supplies or subcontracts ‘where suitable organisations exist’.

B&NES is also keen to ensure that contractors hold ‘meet the buyer events’ to make sure that local organisations become aware of forthcoming opportunities, and it will support efforts to help local organisations improve their capacity and competitiveness.

5.4 Revising the Specification and Procurement Method

The Public Services (Social Value) Act 2012 recognises that contracting authorities should not act in isolation when identifying both what social value can be achieved through a contract, and through how that contract is procured. Local organisations – and specifically social enterprises, charities and not-for-profit organisations – can offer additional value that is often not recognised in the specification for a contract. With this in mind the Council should consider whether or not to enter into wider consultation with the marketplace as well as service beneficiaries when considering both the specification for a contract and the method of procurement.

If commissioning/procurement teams want to further increase opportunities for local suppliers then they can consider changing the specification for the contract or the way in which the contract is arranged and procured. Amongst others, two approaches can be considered:

Break the contract into Lots

The biggest barrier to local organisations winning public sector contracts – including many that have traditionally relied on this work – can be that the scale and value of the contract is beyond their management and financial capacity. This can be addressed by aggregating demand – and so advertising one procurement – but being willing to disaggregate delivery by offering tenderers the opportunity to bid for one or more Lots, i.e. smaller packages of work.

Incorporating social value into the specification

In terms of achieving social value, the hope is that local organisations will be more competitive in bidding for contracts where these have taken into account the social value that can be achieved – whether this is TR&T or targeted supply chain opportunities, or otherwise.

When undertaking a process of consultation (or, if no consultation is thought to be needed, when considering internally the scope of a contract) the Council should consider how social value is built into the specification of the contract bearing in mind the experiences and expertise of those consulted with.

The B&NES Social Value Procurement Policy allows commissioning/procurement teams to consider whether they want to include additional social value in a procurement where some tests are met – see 1.4 above.

6. Specifying other social value requirements

A key aim of the Public Services (Social Value) Act is to encourage purchasers to think differently about the content of their specifications – especially in service contracts – introducing good practice that has been pioneered by existing providers (and perhaps especially by social enterprises and community-based organisations). It is anticipated that some of this innovation will require contractors to deliver services differently within the same budget, or possibly to deliver savings over the life-cycle of the contract. The Act requires commissioners to think about this at the scoping stage of the contract and to consider undertaking review and consultation that could lead to innovation in the specification and subsequently the contract conditions.

The B&NES Social Value Procurement Policy encourages this research process and sets out (in paragraph 1.4 above) some conditions that should be met before a commissioning team make ‘social value’ innovations.

There are a number of ways that the research process can be undertaken:

- Literature reviews, especially in trade journals and good practice publications;
- Networking with colleagues in other organisations commissioning similar services;
- Working with local service-user organisations;
- Consulting a range of existing delivery organisations prior to the commencement of the commissioning/procurement process: ‘soft market testing’.

In addition to this process of review and consideration prior to a procurement process, in some circumstances the procurement process itself can be used to seek further innovation. Particularly, if the competitive dialogue procedure is available, it can be used to provide a process whereby bidders develop a response to the Council's requirements – in this case for innovation to achieve social value – and then bring forward proposals for discussion. This gives the commissioning team an opportunity to discuss bidder responses during the development of the bids.

7. The Procurement Process – Staying Safe

In general the Social Value Procurement Policy should be implemented with reference to and in compliance with the Council's Contract Standing Orders. These reflect the requirements of the Public Contract Regulations 2006 and the Council's Best Value duties and will enable social value to be procured on a way that will reduce the risk of legal challenges.

In relation to innovation and social value the following good practice should also be adopted.

7.1 Local and Non-local bidders

To comply with EU law principles (in particular non-discrimination and equal treatment, in keeping with the concept of free movement within the EU), the social value requirements should not favour local over non-local bidders. Case law has indicated that requirements where knowledge of local training arrangements or having a local workforce would give an advantage to a local bidder are not permitted unless the potential to disadvantage non-local bidders is ameliorated in some way.

In relation to employment and training the policy aim is to maximise opportunities for BANES residents, but the way this is reflected in the specification provides a 'level playing field' for local and non-local bidders:

- all have a specified number of New Entrant Trainees that they have to recruit from a named source;
- all have to notify vacancies to a named source;
- all have to provide the same monitoring information.

Case law has determined that the tender documents cannot require that bidding organisations have premises in the area where the works or services are to be delivered (but one may be needed during the life of the contract).

7.2 Types of organisations

The procurement process should not favour one size or structure of organisation. So a specification cannot state that bidders must be (for example) small businesses or social enterprises. However, the procurement process can be designed to maximise the opportunities for organisations that might otherwise find it difficult to participate e.g. by breaking the work into Lots so as to provide opportunities for organisations with more limited capacity (as discussed above). Some elements of social value have perhaps been provided in the past by some contractors but not all – these requirements can lend

themselves to organisations that would otherwise be at a disadvantage in the tendering process, because of the specialist expertise or sector knowledge held by those organisations.

7.3 Equalities Legislation & Freedom of Movement

In relation to employment and training requirements care must be taken to ensure that the impact is not discriminatory. For example, if an area has several communities with very different characteristics – distinguished, by race, gender, religion etc. – and the proposed service or development is in just one of these, there could be a case for ‘indirect discrimination’ if the employment and training benefits were just targeted at this community.

Likewise the European Treaties allow individuals from any EU country access to jobs in any other country.

To address this it is important that the named job-matching agency(ies) operate an equal opportunities policy and although it may focus its outreach work with disadvantaged communities in one or more areas it also provides a service for other people that seek its help, e.g. by registering with it. This does not mean that it needs to seek out other registrations.

Offering candidates with a range of skills and experience will also help the named job-matching agency to build a good relationship with employers by being able to meet all of their labour needs, not just the need for New Entrant Trainees. So it is also good practice.

8. Contract Notice

The use of social considerations in procurement must be mentioned in any OJEU contract notice by a contracting authority. The following model wording is suggested, typically under the section in the OJEU Notice headed ‘Additional information’.

“Under the Public Services (Social Value) Act 2012 the contracting authority must consider:

- (a) how what is proposed to be procured might improve the economic, social and environmental well-being of the area where it exercises its functions, and*
- (b) how, in conducting the process of procurement, it might act with a view to securing that improvement.*

Accordingly, the subject matter of the contract has been scoped to take into account the priorities of the contracting authority relating to economic, social and environmental well-being. These priorities are described in the invitation to tender/negotiate/participate in dialogue and are reflected in environmental and social characteristics in the evaluation criteria for the award of the contract”

9. Pre-qualification Questionnaire (PQQ)

In any pre-qualification questionnaire the following questions can be used in the section of the questionnaire that assesses technical capacity and ability:

“Please give examples of your involvement in each of the following:

- *generating employment and training opportunities for long-term unemployed people;*
- *providing training opportunities for young people;*
- *promoting supply-chain opportunities to new and small enterprises.*

What was your exact involvement in each of the above activities? Which of the examples you have cited have been more successful, and which have been less successful, and why?”

The answers to the PQQ questions can be scored as a part of the selection process for the those to be invited to tender, even if the requirements are only ‘a condition relating to the delivery of the contract’ and not an ‘award criteria’. All of the bidders invited to tender should be capable of delivering the contract conditions.

Where a standard PQQ pro-forma is in use it will be important to ensure that changes are made to include social value questions.

An important outcome from including social value questions in the PQQ is that it raises awareness of the social value requirements, with procurement staff and bidders, at an early stage.

10. Award Criteria

The award criteria, and the weightings attached to them, to be used in the award of the contract have to be included in the tender information. Where a social value requirement is relevant to the ‘subject matter of the contract’ then it can be included in the award criteria – as a part of the ‘quality’ score.

Where a social value requirement is not considered to be relevant to the subject matter of the contract, these should not form part of the award criteria. Information on these requirements should still be included in the Contract Notice, PQQ, Specification and contract conditions, but do not form a part of the tender scoring process. This might be considered appropriate where:

- there is uncertainty about the status of the social value requirements as relevant to the subject matter of the contract;
- to include the requirement within the quality evaluation criteria could give excessive weight to the social value requirement in the award of the contract – e.g. where the quality criteria are limited; and
- the commissioning team are not confident they could properly evaluate the social value ‘offer’ from bidders.

The B&NES Social Value Procurement Policy has been designed to allow commissioning/procurement teams to include social value requirements as a part of the subject of the contract.

As can be seen from Section 3.4 above it is the Council's view that social value requirements should not normally exceed a 10% weighting out of the overall award criteria, and that a 5% weighting for any one social value requirement should be sufficient to get proper attention from bidders.

11. Specification

Model specifications for targeted recruitment and training and supply-chain opportunities are available.

A Method Statement is normally provided with the tender and is used as a basis for scoring in the award process.

Where commissioning/procurement teams are seeking to include other social value requirements in their tenders/contracts then it should be noted that the model approach includes the following key elements that the team should consider:

- definition of terms used;
- information on what is required of the contractor, e.g. provision of a Method Statement with the Tender;
- information on where the bidders can find information that will help them complete the social value element of the tender even if they don't have local knowledge;
- the required outcomes;
- the monitoring and verification information that will be required;
- a statement making clear that the contractor is responsible for obtaining subcontractors compliance as necessary to deliver the contract;
- a disclaimer in relation to any support provided by the Council to help achieve the required outcomes;
- a pro-forma Method Statement: obtaining information on a standard format makes it easier to use a standard scoring framework and avoids the possibility of bidders providing too much irrelevant text.